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NOTICE TO READERS: An * indicates material not disseminated in electronic form.

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General

Qian on Jiang's Trip to North, South America

Expects Improved U.S. Ties

HK3011143193 Beijing ZHONGGUO XINWEN SHE
in Chinese 1248 GMT 30 Nov 93

[By reporter Li Wei (2621 0251)]

[Text] Beijing, 30 Nov (ZHONGGUO XINWEN SHE)—Qian Qichen, PRC vice premier and concurrently foreign minister, has stated that an improvement in Sino-U.S. relations can be anticipated, with increasing reciprocal visits, including top-level contacts. He made this statement in an interview with reporters.

Qian Qichen was accompanying state President Jiang Zemin on his way home from the Seattle summit and later visits to Cuba, Brazil, and Portugal. He made the above statement on board an aircraft in an interview with the reporters team, which was part of the entourage covering the summit and the president's visits.

A reporter asked Qian Qichen to say something about the effects of the Sino-U.S. summit in Seattle on the development of Sino-U.S. relations and his predictions about their prospects.

In answering this question, Qian Qichen said that the fact that there had been a meeting between the Chinese and U.S. head of state after a span of five years was of great significance in itself. This fact illustrates that both sides saw that under the changed world situation today, promoting the smooth development of Sino-U.S. relations was in conformity with the common interests of both sides. Now that direct contact between the two heads of state was made possible, contacts between various levels and departments could be conducted so long as such needs surfaced.

Qian Qichen also indicated that, of course, a summit is not equivalent to conducting talks, and it was impossible to resolve all problems at the summit. Neither the Chinese side nor the U.S. side would change its basic position.

Qian Qichen said that during the summit, the Chinese and U.S. Presidents unanimously believed that Sino-U.S. relations should be treated from a long-range view in a more extensive scope. Disputes should be resolved through dialogue, and different views should not be forced on anyone. "This indicates precisely a correct road for the two countries to resolve their disputes."

Discusses Trip's 'Significance'

OW0112081893 Beijing XINHUA Domestic Service in
Chinese 1604 GMT 30 Nov 93

[By reporters Ma Shengrong (7456 0524 2837) and
Huang Yong (7806 3144)]

[Text] Beijing, 30 Nov (XINHUA)—Qian Qichen, vice premier of the State Council and foreign minister, who

accompanied President Jiang Zemin during his overseas visits, today granted an interview to reporters covering Jiang Zemin's trip aboard a special plane on the way back to Beijing. He answered reporters' questions on the significance of President Jiang's visits, the prospects for Sino-U.S. relations, China's role in the informal meeting in Seattle of the leaders of the Asia-Pacific Economic Cooperation [APEC] organization, and China's relations with Latin America, Portugal, and Western Europe.

[Reporter] President Jiang's current trip has attracted the widest world attention given to China's diplomatic initiatives in recent years. Some foreign media say President Jiang's visits were very successful. How do you appraise these visits?

[Qian] President Jiang's current trip is his first overseas since he assumed the post of China's president. The visits are of great significance, the situations were special, the visits were rich in content, and the results of the visits were outstanding.

At the invitation of U.S. President Clinton, President Jiang attended an informal meeting in Seattle of APEC leaders and held a formal meeting with President Clinton. President Jiang also held bilateral meetings in Seattle with leaders of 10 countries of the Asia-Pacific region. He later visited Cuba, Brazil, and Portugal. In the places he visited, including San Francisco and Seattle, President Jiang separately met with representatives of local political, business, and cultural circles, as well as representatives of local overseas Chinese and residents of Chinese origin. He also held news conferences and granted interviews to reporters.

President Jiang's visits came at a time when international relations were being readjusted following the end of the Cold War. During his meetings with the leaders of the countries he visited, President Jiang discussed developing the current bilateral relations between China and these countries and, setting his eyes on the future, explored with foreign leaders ways to usher in the 21st century. President Jiang pointed out on several occasions: Great progress has been made in modern science, communications are very convenient nowadays, and news is disseminated very rapidly. However, all these things cannot replace direct contact between leaders of countries. Direct exchanges between leaders help deepen mutual understanding, help remove misunderstandings, and help deepen mutual trust; and play a hard-to-replace role in promoting the development of relations between states. During his visits, President Jiang met with 14 leaders from North America, South America, Asia, Europe, and Oceania; of them, seven met with President Jiang for the first time. Such extensive contacts are very beneficial to expanding China's influence, getting to know some world leaders, strengthening bilateral relations, and discussing bilateral relations and issues of common concern. President Jiang's visits have served the purpose of promoting peace, understanding, cooperation, and mutual benefit.

[Reporter] Both China and the United States have positively appraised the meeting between the heads of the two countries. How will the meeting affect the development of Sino-U.S. relations? What are the prospects for Sino-U.S. relations?

[Qian] The fact that the heads of China and the United States held their first meeting in five years has great significance itself. This indicates that both China and the United States have realized that ensuring a smooth development of Sino-U.S. relations in the current changing international situation is in line with the two countries' common interests. Now that the heads of the two countries have met, leaders and departments at various levels of the two countries may contact each other if necessary. It is predictable that Sino-U.S. relations will improve and that exchanges of visits, including high-level contacts, will increase. Of course, the meeting between the heads of the two countries was not one for negotiations; so it could not solve all problems. The respective basic positions of China and the United States will not change. At the meeting, both President Jiang and President Clinton maintained that Sino-U.S. relations should be viewed from a long-term perspective and in a broader context, that differences should be solved through dialogue, and that one side's views should not be imposed on the other. This has pointed out a correct way for resolving their differences.

[Reporter] Against the background of the tendency toward regionalization in the international economy gaining momentum, the Seattle meeting has attracted wide attention, and people are concerned about how APEC will develop. What kind of role did China play at the Seattle meeting?

[Qian] The economy of the Asia-Pacific region has been full of vitality and attracted worldwide attention. For this reason, all countries have shown concern for economic cooperation in this region. President Jiang and I separately elaborated in Seattle on China's position on this issue.

Great diversity is a prominent characteristic of the Asia-Pacific region. APEC members include developed countries, developing countries, and regional economies such as Hong Kong and Taiwan. Asia-Pacific economic cooperation can develop smoothly only if this characteristic is taken into consideration. APEC is different from other regional economic cooperation organizations such as the EC and North American Free Trade Agreement. APEC should develop step by step; necessary conditions currently do not exist for the organization to become an economic community. More haste results in less speed. Maintaining the current flexible and open forum form is conducive to this region's cooperation, and cooperation may be in many different forms. Asia-Pacific economic cooperation should be open and should not be exclusive so that it will not only benefit this region but also will contribute to world economic development. Our position, as outlined above, will help Asia-Pacific economic cooperation develop in a healthy manner.

[Reporter] During President Jiang's visit to Brazil, people of both the government and nongovernment sectors of the country expressed their great enthusiasm in further developing Sino-Brazilian cooperation. How does China plan to promote Sino-Brazilian cooperation and its relations with Latin America?

[Qian] During his visit to Brazil, President Jiang said: "Both China and Brazil are facing a common task of developing their economies and hope to bring prosperity to their countries. Our minds are linked with each other." No conflict of interests exist between China and Latin America; they are in similar situations; their economies are complementary to each other. Today, after the Cold War is over, the common interests of China and Latin America have increased, and further developing mutually beneficial cooperation between the two sides is in line with the common wishes of the two sides. As early as the mid-1980's, Comrade Deng Xiaoping, during meetings with the leaders of some Latin American countries, pointed out: Some people say the 21st century will be the Pacific century. But, only after both Asia and Latin America have developed can we say that the Pacific century has arrived. It can be predicted that, following President Jiang's visit, exchanges in various fields between China and Latin America will increase, their mutual understanding will deepen, the scope of cooperation will be broadened, and Sino-Latin American relations will enter a new period of development.

[Reporter] President Jiang's visit to Portugal was very brief, but he was ceremoniously and warmly received. How do you assess the visit's impacts on Sino-Portuguese relations and China's relations with Western Europe?

[Qian] President Jiang's visit to Portugal only lasted 24 hours. The Portuguese side attached great importance to the visit and accorded a warm and ceremonious reception to President Jiang. President Soares and Prime Minister Silva cordially met with President Jiang. It was particularly moving that President Soares, who was suffering from a cold, received President Jiang while battling his illness.

Two major issues were discussed during President Jiang's meetings and talks with Portuguese leaders. The first was the Macao issue—Portugal emphatically stressed that it will strictly adhere to the spirit and literature of the Sino-Portuguese Joint Declaration and that it is willing to closely cooperate with China to ensure Macao's prosperity, stability, and stable transition. The second issue concerns Portugal being a member of the EC. Portugal repeatedly stressed that developing relations between Western Europe and China is in line with both sides' interests. Both the Portuguese president and prime minister will visit China next year, and German Chancellor Kohl recently made a successful visit to China. President Jiang's visit to Portugal was a signal sent by China—China is willing to develop its relations with the EC. In other words, China will not only develop

economic cooperation within the APEC realm, but will also strengthen its economic cooperation with Europe. President Jiang's Portugal visit will inject new vitality to strengthening the mutually beneficial cooperation between China and Western Europe.

Before closing, I would like to stress that in his speech at the informal meeting in Seattle of APEC leaders, President Jiang set forth the view of bringing a peaceful, stable, and developed world to the 21st century and said that this is a heavy responsibility on the shoulders of responsible statesmen and leaders of today's world. This view has far-reaching significance and is good food for thought; it was also the keynote of President Jiang's visits.

Trip 'Abundant With Fruits'

*OW3011203193 Beijing XINHUA in English 1928
GMT 30 Nov 93*

[Text] Beijing, November 30 (XINHUA)—Chinese Vice-Premier and Foreign Minister Qian Qichen said today that Chinese President Jiang Zemin's 12-day tour abroad was "of great significance and abundant with fruits."

Qian, who accompanied Jiang during the November 17-29 tour, made the comments in an interview with XINHUA reporters aboard a special plane on the way back to China.

Qian answered a number of questions relating to the significance of Jiang's tour, the prospects for Sino-U.S. relations, the role China played at the informal leadership conference of the Asia-Pacific Economic Cooperation (APEC) forum in Seattle, and China's relations with Latin America, Portugal and Western Europe.

Qian said that Jiang's trip came at a time when international relations are undergoing adjustment following the end of the Cold War.

After attending the APEC conference in Seattle, the United States, Jiang paid visits to Cuba, Brazil and Portugal.

On the significance of Jiang's tour, Qian said that the president met with 14 foreign leaders from five continents and such broad contact was conducive to extending China's influence, getting acquainted with a number of foreign leaders, strengthening bilateral ties and exchanging views on issues of bilateral ties of common concern.

During meetings with the foreign leaders, Jiang not only discussed with them ways of developing China's current bilateral relations with their countries, but also what need be done to usher in the 21st century, Qian said.

According to Qian, Jiang pointed out on various occasions that direct contact between leaders of the countries can play an irreplaceable role in deepening mutual

understanding, eliminating misunderstanding, enhancing mutual trust, and giving an impetus to relations between one another.

He stressed that the aims of Jiang's tour—peace, understanding, cooperation and mutual benefit—had been adhered to throughout.

The tour "is of great significance and abundant with fruits," Qian said.

When asked about the prospects for Sino-U.S. relations, Qian said that the first formal meeting between Chinese and U.S. Presidents in nearly five years was "itself of great significance."

The meeting between Jiang and Bill Clinton showed that both China and the United States had realized that a smooth development of Sino-U.S. relations was in the interests of both sides under the changing international circumstances.

He predicted that there will be an improvement in Sino-U.S. relations in the future and more exchanges of visits, including those at the high level.

"True, the meeting between the presidents was not one for negotiations and cannot be expected to solve all the problems," he said. "Both sides will not change their basic positions."

However, he said, Jiang and Clinton agreed that the Sino-American relationship should be addressed from a long-term point of view and in a broader context.

They agreed that differences should be resolved through dialogues and one side should not impose its will upon the other.

"This has pointed a correct way for resolving differences between the two countries," Qian said.

Asked what role China played at the APEC conference, Qian said the economy of the Asian-Pacific region is full of vigor and vitality and at the center of world attention.

Naturally, economic cooperation in the Asia-Pacific region has aroused the interest of the whole world, he said.

The Asia-Pacific cooperation should adjust to the diversity of conditions in the region, and only by doing so can such cooperation go on smoothly, Qian said.

He said that conditions were not yet ripe for APEC to develop into an economic community, and keeping its current status of an open and flexible forum would be conducive to the cooperation in the region.

Varied forms were needed in the Asia-Pacific cooperation, which should be open and against exclusiveness, Qian said. Thus, he added, this cooperation would contribute to the development of the global economy as well as benefiting the region itself.

"Our above-mentioned proposals will be conducive to a healthy development of the Asian and Pacific cooperation," said the Chinese vice-premier.

On China's relations with Brazil and Latin America as a whole, Qian said China and Latin America have no conflict of interests, but have similar conditions and are economically complementary, he said.

Nowadays following the end of the Cold War, he said, China and Latin America share expanded common interests, and it is the wish of both sides to further develop the mutually beneficial cooperation.

It can be expected that as a result of Jiang's visit, there will be increased contact and exchanges in various fields, deeper mutual understanding and expanded cooperation, said the Chinese vice-premier.

"The Sino-Latin American relations will therefore enter a new stage of development," he said.

Turning to Jiang's visit to Portugal, Qian said that though the tour was short and only 24 hours long, Portugal had attached great importance to it.

The talks between Jiang and the Portuguese leaders focused on two issues: the question of Macao and the ties between China and Western Europe including Portugal, Qian said.

The Portuguese side stressed in particular that it would strictly abide by in letter and in spirit the Sino-Portuguese Joint Declaration on Macao and was willing to closely cooperate with the Chinese side to ensure prosperity and stability of Macao and the territory's smooth transition, he said.

Portugal is a member of the European Community (EC) and the Portuguese leaders pointed out repeatedly that it is in the interests of both sides for Western Europe to develop relations with China, according to Qian.

In a related development, Portuguese President Mario Soares and Prime Minister Anibal Cavaco Silva are scheduled to visit China next year, while German Chancellor Helmut Kohl has just concluded his fruitful visit to China, Qian said.

President Jiang's visit to Portugal has sent a signal to the EC that China is ready to develop relations with the economic bloc, he said.

That is to say, he added, China wants to enhance economic cooperation with Europe in addition to conducting external economic cooperation within APEC.

"President Jiang's visit to Portugal will bring into new vigor for closer mutually beneficial cooperation between China and western Europe," he added.

Qian brought to the attention the remarks Jiang made at the APEC informal leadership conference, in which the Chinese president called for efforts to bring a peaceful, stable and economically developed world into the 21st century.

That, Jiang pointed out, should be an important task for all responsible statesmen and national leaders, according to Qian.

"This standpoint of view is meaningful and has far-reaching significance, and constitutes the key note of this tour," said the Chinese vice-premier.

Media Views Jiang's North, South American Trip

XINHUA 'Roundup'

OW3011005993 Beijing XINHUA in English 0019
GMT 30 Nov 93

["Roundup" by Ma Shengrong and Huang Yong: "An Important and Fruitful Tour"]

[Text] Lisbon, November 29 (XINHUA)—Chinese President Jiang Zemin's 12-day tour abroad concluded successfully today. It has proved to be an important diplomatic event with abundant fruits.

Jiang's tour has not only deepened the mutual understanding between China and countries in the Asia-Pacific region and the nations he visited, but also strengthened China's cooperative relations with them in trade, economy and other areas.

From November 17 to 29, Jiang attended the informal leadership conference of the Asia-Pacific Economic Cooperation (APEC) forum in Seattle, the United States, made a brief visit to Cuba, paid a state visit to Brazil, and finally, made a stop-over in Lisbon for a visit to Portugal on his way back to China.

Jiang's activities at the APEC informal leadership conference showed that China valued the role of the organization and took a constructive attitude at this first highest-level meeting of APEC.

In his address to the APEC meeting at Blake Island, President Jiang suggested bringing a peaceful, stable and economically developed world into the 21st century.

Meanwhile, he stressed the diversity of the conditions in the Asia-Pacific region and advocated the need to observe the principles of mutual respect, equality and mutual benefit, opening to one another and common prosperity in promoting Asian and Pacific cooperation.

Jiang said, since APEC is not a close-knit, institutionalized organization and must be an open, flexible and pragmatic forum for economic cooperation and consultations, the Asia-Pacific region should take varied forms of cooperation.

The first ever informal APEC leadership conference played a positive role in enhancing mutual understanding and trust, strengthening exchanges on an equal footing and promoting mutually beneficial cooperation among Asia-Pacific countries and regions.

What attracted people's attention more was Jiang's meeting with U.S. President Bill Clinton during the conference.

The formal talks between Jiang and Clinton showed that both sides realized that China and the United States, as two influential big nations in the world, were both responsible for safeguarding world peace and could complement each other economically.

Differences exist between China and the United States. But they can be solved step by step through dialogue and consultations on an equal-footing. Hence, the meeting of the Chinese and American leaders, which enhanced mutual understanding and helped improve and expand the ties between the two countries, marked a new good start in bilateral relations.

Later in the tour, President Jiang met with the leaders of Cuba, Brazil and Portugal for talks during his visits to the three countries. These talks have further strengthened the ties of cooperation between China and these countries.

During his six-day state visit to Brazil, which was the longest lap in his tour, Jiang had talks with President Itamar Franco and other Brazilian leaders and made extensive contacts with people from various circles.

The two sides shared views on a wide range of questions including expansion of bilateral relations and international issues of common concern. Both maintained that it is important for the two countries to have their eyes set on the next century and foster long-term, stable and mutual-beneficial ties of cooperation.

In addition, China and Brazil signed two agreements on cooperation in the peaceful use of outer space and the development of iron ore trade.

China and Latin America belong to different hemispheres, but there are many common grounds between them, notably the fact that both face the arduous task of developing the economy.

After years of economic adjustment, most Latin American countries have got rid of or are getting rid of the difficulties resulting from the debt crisis of the 1980s. The economies of these countries have begun to expand again.

There is much for China and Latin American countries to learn and borrow from each other in the areas of practising open economy, reinforcing market mechanisms, and formulating development strategies and economic policies.

President Jiang's visits to Cuba and Portugal were both short. During his stay in Havana, Jiang held talks with Fidel Castro, president of the Council of State of Cuba. The two leaders reiterated that their countries would continue to develop their friendly and cooperative relations on the basis of the five principles of peaceful co-existence.

Jiang's visit to Portugal points to the good cooperation between China and Portugal in implementing their joint declaration on the question of Macao and ensuring the

territory's smooth transition. It also showed that the friendly and cooperative relationship between the two countries was going deep.

It can be expected that as a result of President Jiang's tour, China's relations with Asia-Pacific and Latin American countries as well as Portugal will be further developed.

CHINA DAILY Commentary

HK3011023893 Beijing CHINA DAILY in English
30 Nov 93 p 4

["China Daily Commentary:" "Fruitful Mission"]

[Text] President Jiang Zemin returns home today after his fortnight trip abroad.

Short as a fortnight is, Jiang achieved fruitful results in his diplomatic activities that have much enhanced China's image as a big, peace-loving, developing country that sincerely seeks friendship and co-operation with all countries.

Jiang's participation in the Seattle informal summit meeting indicates that China is fully aware of the tremendous potential for economic development in the Asian-Pacific region and attaches great importance to furthering economic ties among the countries of the region.

Jiang announced at the Apec meeting that China will continue, as in the last 15 years, to focus its attention on domestic economic development. China will open wider to the outside world and its reforms will go deeper. Meanwhile, democracy and legality will be further strengthened.

Jiang reaffirmed China's commitment that it will never seek hegemony, never participate in an arms race, never join any military blocs, nor covet a sphere of influence. Instead, China is ready to develop friendly and co-operative relations with all its neighbours and other nations on the basis of the five principles of peaceful co-existence.

Co-operative ties

Jiang's assurances, made in explicit terms, must have enabled the people in other parts of the world to better understand China's intended role in the international community. This certainly will help to promote China's co-operative ties with other nations in the region.

Jiang's meeting with U.S. President Bill Clinton in Seattle marks an event of great importance for both countries in that bilateral relations have been clouded by differences in recent years.

However, both reached consensus that bilateral relations should be viewed in a world context and resolution of outstanding issues is not only in the interest of the two nations, but also in the interest of the whole world.

Rightly, Jiang stressed the variety in the world, as witness the different lifestyles, values, religious faiths and cultures. [sentence as published] It follows that the people's right to choose their own social system and pattern of development, according to their own specific national conditions, should be respected. They must each run their own affairs free from the interference of others.

Long-term interests

If a strong, stable, modernized and prosperous China conforms to the long-term interests of the United States, as it claims, any action on its part that proves detrimental to China's development in any measure will boomerang eventually. This notion does not need great political wisdom to grasp.

With regard to Jiang's invitation to Clinton to visit China, the American president said he looked forward to it because it had been a desire since childhood. The Chinese people, of course, will receive him with hospitality.

After America, Jiang proceeded to visit three more countries, Cuba, Brazil and Portugal.

The cordial reception he was accorded in these countries, to say the least, shows the genuine love and respect China enjoys among the nations in the world. This results from China's fair and just behaviour in world affairs in the past. China certainly will not fail the goodwill of all friendly nations. It is hoped that bilateral economic and trade ties will flourish and friendly exchanges increase. After all, a peaceful and prosperous world is what China wishes to contribute to the people of the next century.

The fortnight trip of President Jiang proved to be very successful and constructive. We expect it to produce beneficial results in the coming years.

RENMIN RIBAO Editorial

CM0112133893 Beijing RENMIN RIBAO in Chinese
1 Dec 93 p 1

[“Editorial”: “Distance Does Not Matter to Close Friends, Who Are Like Neighbors Although They Live 10,000 Li Apart—Congratulating President Jiang Zemin on the Successful Conclusion of His Latin America Visit”]

[Text] President Jiang Zemin successfully concluded his state visit to Brazil and his brief [duan zan de 4252 2548 4104] visit to Cuba on his way to Brazil. This was Comrade Jiang Zemin's first trip abroad since becoming president of the state. His visits testify to the fact that China attaches great importance to its friendly and cooperative relations with Latin American countries. Attaching great importance to President Jiang Zemin's visits, the Brazilian and Cuban Governments and people accorded him grand, warm, and friendly receptions. His visits were very smooth and were a complete success. We would like to extend warm congratulations to him.

China and Brazil are the two largest developing countries located in the eastern and western hemispheres, respectively. Both countries have vast territory and abundant resources, their levels of economic and technological development are rather close, and they are very complementary to each other in economic and trade cooperation. Since establishing diplomatic relations, the relations between the two countries have become closer with each passing day through their joint efforts. The leaders of the two countries and their high-ranking government officials have often exchanged visits. Trade relations between the two countries have continuously expanded. Thus, Brazil has become China's biggest trade partner in Latin America. Gratifying progress has been made in scientific and technological cooperation by the two countries, such as the joint research and development of earth resources and satellites. The foundation for Sino-Brazilian cooperation is solid, their fields of cooperation are broad, and the prospects for such cooperation are bright.

During his visit to Brazil, President Jiang Zemin held extensive meetings with Brazilian President Franco and leaders of various circles, during which they briefed each other on the conditions of their own countries. They had wide-ranging and in-depth discussions on the further development of bilateral relations and on international issues of common concern. Both sides expressed their readiness to look to the 21st century, to handle their friendly cooperation from a strategic point of view, and to establish a long-term, stable, and mutually beneficial relationship of cooperation. This accords with the fundamental interests of the Chinese and Brazilian people, and it will serve as a valuable experience for South-South cooperation. The two sides signed an “Agreement of Intent on Iron Ore Trade and on Promotion of Cooperative Mining of Iron Ore” and a “Protocol for Cooperation in Peaceful Use of Outer Space.” During the visit, President Jiang and his party had useful contacts and exchanges with Brazilian entrepreneurs and scientists; called on Overseas Chinese, Brazilian citizens of Chinese origin, and personnel of the Chinese Embassy and other Chinese organizations; and explored ways to further develop the mutually beneficial cooperation between the two countries. Thanks to the positive results achieved during this visit, Sino-Brazilian friendly and cooperative relations have been raised to a new level.

Cuba was the first Latin American country to establish diplomatic relations with China. The Chinese and Cuban people have a traditional friendship. During his visit to Cuba, President Jiang Zemin held talks with President Castro. Both sides briefed each other on the conditions of their own countries and exchanged experiences in construction suited to the specific conditions of their respective countries. President Castro expressed appreciation toward China's policies of reform and opening to the outside world. President Jiang Zemin expressed admiration for the Cuban people's spirit of waging an arduous struggle under difficult conditions. The leaders of the two countries reiterated that they were ready to continuously develop the friendly cooperation

between their two countries and to enhance the traditional friendship between the two peoples on the basis of the Five Principles of Peaceful Coexistence.

Although China and Latin America are separated by vast oceans, there are many favorable conditions for the development of friendly and cooperative relations between them. There are no accumulated grievances between China and Latin American countries, nor are there any conflicts of fundamental interests between them. They have had similar experiences in the past. Today, they are faced with the same task of building their respective countries. At present, the mutual understanding and trust between the two sides is enhanced with each passing day. Exchanges between them in various forms and fields often take place. President Jiang Zemin's visit has evoked tremendous repercussions in Latin American countries. This shows that Sino-Latin American friendship has struck deep in the hearts of the people. China's achievements in reform, opening, and economic construction have attracted more and more businessmen from Latin American countries to trade or cooperate with China. The prospects for economic and trade cooperation between China and Latin American countries are broad. After several years of economic readjustment in the 1990's, Latin American countries have extricated or are extricating themselves from the difficulties caused by the debt crisis of the 1980's, and a good momentum has taken place with regard to their economic development. Many such countries have adopted an economic open-door policy and have strengthened their market mechanisms. In formulating their development strategies, Latin American countries attach more importance to developing economic and trade relations with the Asia-Pacific Region. This has created favorable conditions for expanding Sino-Latin American trade and exchanges.

China and Latin American countries have an extensively common language in international affairs. China and Latin American countries hold identical or similar views on such major issues as safeguarding world peace, developing national economies, striving to establish a new, peaceful, stable, just, and equitable international political and economic order, and opposing power politics and outside interference. Brazil, Cuba, and many other Latin American countries adhere to the position of one China, and all this is valuable support for us.

After winding up his Latin America visit, President Jiang Zemin stopped in Portugal to pay a visit to the country. He was accorded a warm welcome and lavish hospitality by the Portuguese Government and people. This fully shows the friendly and cooperative relations between China and Portugal are developing in depth and that the two countries are enjoying sound cooperation in implementing the joint declaration on the Macao question and ensuring Macao's smooth transition.

Distance does not matter to close friends, who are like neighbors although they live 10,000 li apart. President Jiang Zemin's visit has enhanced the friendship between

the Chinese people and the people of Latin American countries and Portugal and added a new important chapter to the history of Sino-Latin American and Sino-Portuguese relations. We wish that Sino-Latin American relations and Sino-Portuguese relations will continuously develop and that a gratifying situation will occur in these regards.

United States & Canada

Qiao Shi Receives U.S. Business Delegation

OW0112121593 Beijing XINHUA in English 1137
GMT 1 Dec 93

[Text] Beijing, December 1 (XINHUA)—In a meeting today with business people from the United States, Qiao Shi, chairman of China's National People's Congress (NPC) Standing Committee, said that China should accelerate the drawing up of economic laws.

He made the remark while meeting a delegation of the United States-China Business Council, led by its chairman, Maurice R. Greenberg.

At the visitors' request, Qiao briefed them on China's economic legislation.

He said the NPC has formulated a series of laws in the economic field. Qiao Shi said China plans to form a legal framework for a socialist market economy during the term of the Eighth National People's Congress.

He told the visitors that laws covering the budget, companies, banks, foreign trade and real estate are under examination.

He said that at present China's economic laws are not completely suited to the needs of the establishment of a socialist market economy and rapid economic growth. It is imperative to speed up the economic legislation, said Qiao.

Qiao stressed that China's economic legislation should be compatible with generally-used economic laws in other areas of the world by combining China's national conditions with foreign experience.

Greenberg said the U.S.-China Business Council represents many U.S. companies which are interested in doing business with China and are following closely the growth of bilateral trade and economic interests.

Agriculture Ministry Awards U.S. Agronomists

OW2411143793 Beijing XINHUA in English 1402
GMT 24 Nov 93

[Text] Beijing, November 24 (XINHUA)—The Chinese Ministry of Agriculture today awarded three American experts for their outstanding work in Sino-overseas cooperation and agricultural technology exchanges.

The winners of the international agricultural science and technology cooperation prize included two Chinese-American geneticists, Dr. George Liang and Professor

Teh-ling Chu, and an expert in vegetable storage techniques, Dr. Leonard Morris.

Liang has given lectures on agricultural genetics in China and helped the country to train a large number of skilled technicians since 1979.

Morris has developed a new technique for storing Chinese cabbage, a staple vegetable in northern China in winter and spring. The technique is now widely promoted in Beijing and other cities, resulting in enormous profits and social benefits.

Teh-ling Chu has helped China to improve sugarcane species and upgrade the country's research on sugarcane plantation.

Hong Fuzeng, the vice-minister of agriculture, rewarded the three experts with certificates of honor today.

Early in 1986, the ministry established the prize for foreign scholars who make prominent contributions to China's agricultural modernization.

To date, 19 experts from the United States, Japan, Germany, Canada, Norway and the Netherlands have won the honor.

President Clinton Lobbies Congress on Crime Bill

*OW2811025993 Beijing XINHUA in English 0047
GMT 28 Nov 93*

[Text] Washington, November 27 (XINHUA)—U.S. President Bill Clinton today urged the two houses of the Congress to resolve their differences over the crime bill and pass it early next year.

"The crime bill has been passed in both houses," Clinton told Americans in his weekly radio address, "but we have to resolve those two differences and pass that crime bill early next year."

The crime bill will put 10,000 more police on the streets across the country, build more prisons, ban assault weapons and establish more boot camps to keep young, first-time offenders from becoming hardened criminals.

The House of Representatives and Senate passed separate versions of the crime legislation before adjourning this week until January 25, 1994. The differences must be ironed out next year in a House-Senate conference.

"We have to be concerned that in both our cities and our rural areas, the value of life has been cheapened," Clinton said, "Too many children are killing children with weapons of destruction that are even more efficient and sophisticated than the police... [ellipses as received] have."

Clinton said that enacting comprehensive anti-crime legislation is the first priority for 1994.

More than 26,000 people were murdered in the U.S. in 1992.

CPPCC Vice Chairwoman Meets Canadian Guests

*OW3011083293 Beijing XINHUA in English 0803
GMT 30 Nov 93*

[Text] Beijing, November 30 (XINHUA)—Qian Zhengying, vice-chairwoman of the Chinese People's Political Consultative Conference (CPPCC) National Committee, met with Ivan Head, chairman of the Canadian Institute of International Affairs, and his party here this afternoon.

Head and his party arrived here November 28 as guests of the Chinese People's Institute of Foreign Affairs. Apart from Beijing, they are also scheduled to visit the cities of Shanghai, Guangzhou and Shenzhen.

Southeast Asia & Pacific

Singapore's Lee Kuan Yew Inspects Guangxi

*OW3011134093 Beijing XINHUA in English 1251
GMT 30 Nov 93*

[Text] Beihai, November 30 (XINHUA)—Singaporean Senior Minister Lee Kuan Yew has inspected ports, roads, urban facilities and a resort under construction over the past two days in the port city of Beihai in South China's Guangxi Zhuang Autonomous Region.

The former prime minister arrived here Sunday [28 November] to continue his China visit at the head of a 20-member Singaporean Government and commercial representatives delegation.

Lee spoke highly of the investment environment in the area, saying that bright prospects lay ahead for economic relations between Singapore and Beihai.

Lee paid a visit to east China's Zhejiang Province before coming to Beihai.

Navy Ship Visits Thailand's Bangkok Port

*OW3011121393 Beijing XINHUA in English 0850
GMT 30 Nov 93*

[Text] Bangkok, November 30 (XINHUA)—The Zhenghe, a Chinese ocean-going naval training ship, arrived here today to begin a five-day goodwill visit.

When the ship entered a deep-water harbor on the Chao Phraya River, she, under the command of Rear Admiral Chen Qingji, president of the Dalian Naval Academy, was warmly greeted by white-clad commanders and sailors of the Royal Thai Navy amidst music played by a band.

The Zhenghe made a long siren in acknowledgement to the welcome.

The 132-meter-long training vessel is on the last leg of her present overseas tour. She had been to Port Chittagong of Bangladesh, Port Karachi of Pakistan and Port Bombay of India.

Yunnan Newspaper, Thai Daily To Exchange News

*BK2811022293 Bangkok THE NATION in English
28 Nov 93 p A2*

[By Yindi Loetcharoenchok in Kunming]

[Text] The Nation Publishing Group and China's southern YUNNAN ECONOMY newspaper will co-operate in the exchange of news, information, advertising and reporters.

Agreement was reached between the YUNNAN ECONOMY's chief editor, Yang Xinmin, and THE NATION's editor-in-chief, Sutthichai Yun, here on Thursday [25 November].

They expect to sign an agreement soon—the third in THE NATION's exchange programme with foreign media agencies. The two others are Japan's YOMIURI SHIMBUN and the VIETNAM NEWS AGENCY.

The agreement includes the exchange of two-three reporters annually.

The four-page YUNNAN ECONOMY, which publishes every second day, is the first Chinese-language newspaper in China's five southwestern provinces to be distributed publicly abroad. More than 30 countries in Europe, America and Asia receive the paper. The 10-year-old YUNNAN ECONOMY, which has a circulation of about 100,000, also publishes a weekly newspaper, ASIA AND THE PACIFIC.

Yang Xinmin said Yunnan and Thailand have long-standing cultural ties. Co-operation between the two newspapers would help to promote and strengthen Sino-Thai friendship.

Sutthichai said the bilateral contacts and co-operation would help to improve communications and enhance news and information exchanges in the region.

Yunnan, Burma Begin Joint Bus Corporation

*OW2411130893 Beijing XINHUA in English 0903
GMT 24 Nov 93*

[Text] Yangon [Rangoon], November 24 (XINHUA)—A Myanmar [Burma]-Yunnan (China) bus joint-venture corporation has been formed by Myanmar Private Worldstar Company Limited and Dehong County companies of Yunnan Province of China recently.

In order to improve the transportation in Myanmar, the joint-venture has reached an agreement to import 2,000 buses from China, and the first batch of 52 buses have arrived at the China-Myanmar border area.

The buses will be introduced in the bus lines that extend to Mandalay, Mawlamyine and various states and divisions.

A bus repairing and maintaining factory will be set up in the beginning of 1994, it is learned.

Near East & South Asia

Li Ruihuan Visits Indian President Sharma

*OW0112113493 Beijing XINHUA in English 1057
GMT 1 Dec 93*

[Text] New Delhi, December 1 (XINHUA)—Visiting chairman of the National Committee of the Chinese People's Political Consultative Conference (CPPCC) Li Ruihuan today called on Indian President S.D. Sharma with both sides emphasizing Indo-China friendship and cooperation.

During their meeting, Sharma said that India follows closely China's economic reforms and open policy and admires its social stability and economic development.

"India and China have many things in common, they could learn from and cooperate with each other in various fields, especially in agriculture, ecology, science and technology," he said.

"Indo-Chinese peoples are not only friends, but also brothers who should share their achievements to step forward together," he stressed.

When recalling the development of the two countries' relationship, Li said that in recent years, both sides under the joint efforts of the two governments have made steady progress in exchanges and cooperation in the fields of politics, economy and culture.

He said the recent China visit by Indian Prime Minister P.V. Narasimha Rao was successful. "We believe that the Sino-Indian relations will become more stable and solid," he said.

"To develop friendly relations with our neighboring countries is our focal point and unswerving policy to deal with foreign countries," Li stressed.

When Li conveyed Chinese President Jiang Zemin's regards and good wishes to Sharma, the Indian president said that he is very much like Jiang to visit India.

Discusses Ties at Banquet

*OW3011192793 Beijing XINHUA in English 1902
GMT 30 Nov 93*

[Text] New Delhi, November 30 (XINHUA)—Li Ruihuan, chairman of the Chinese People's Political Consultative Conference (CPPCC), called today for bringing Sino-Indian ties to a new level.

Speaking here tonight at the banquet given by Najma Heptulla, deputy chairman of Rajya Sabha (the upper house of Parliament), Li said that China and India have a long history of friendship and that exchanges of visits by top leaders in recent years have strengthened bilateral cooperation in every field between the two countries.

During Indian Prime Minister Narasimha Rao's recent visit to China, the two nations signed the agreement on the maintenance of peace and tranquility along the line of actual control in the China-India border areas.

Li said that the agreement created an important condition for the final settlement of the border problem between them.

He said that next year will mark the 40th anniversary of the issuance of the Five Principles of Peaceful Co-existence jointly initiated by late Chinese Premier Zhou Enlai and Indian Prime Minister Nehru.

"Let us start working now, take a long-term perspective and make concerted efforts to bring our good-neighborly and friendly relations to a new level on the basis of the Five Principles of Peaceful Co-existence," Li said.

China sincerely hopes South Asian countries settle the problems between them through friendly consultations, said Li who is also a member of the highest decision-making body in China, the seven-member Standing Committee of the Chinese Communist Party's Political Bureau.

The CPPCC is an organization of China for multi-party cooperation, which groups people from various parties, trade unions, youth organizations, women's organizations and other mass organizations.

Najma Heptulla said in her speech that it is a historical necessity and practical need to build a friendly relationship between India and China.

Earlier the day, Li asked Najma Heptulla to convey his regards to Indian Vice-President and Rajya Sabha Speaker K. Narayana who has been suffering from illness. Li wished him an early recovery.

Li is here on a six-day visit to India at K. Narayana's invitation.

Zhang Wannian Leaves Bangladesh for Pakistan

*OW0112113393 Beijing XINHUA in English 1051
GMT 1 Dec 93*

[Text] Dhaka, December 1 (XINHUA)—Chief of General Staff of the Chinese People's Liberation Army General Zhang Wannian left here for Pakistan this morning after a five-day goodwill visit to Bangladesh.

During his stay in Bangladesh, General Zhang called on President Abdur Rahman Biswar, Prime Minister Khaleda Zia and chiefs of the three armed services.

He then flew to Chittagong and visited the Bangladesh military academy at Bhatiary where he was received by Commandant Brigadier Syed Muhammad Ibrahim Bir Pratik [spelling of name as received].

General Zhang, at the head of the six-member Chinese military delegation, arrived here last Saturday [27 November].

Chi Haotian Meets Nepalese Military Delegation

*OW0112100593 Beijing XINHUA in English 0830
GMT 1 Dec 93*

[Text] Beijing, December 1 (XINHUA)—Chinese State Councillor and Defense Minister General Chi Haotian

met with a Nepalese delegation headed by Defense Secretary Remesh Jung Thapa [spelling of name as received] here today.

Extending his welcome to the first Nepalese defense delegation to visit China, Chi said the visit is "a major event in the history of contacts between the armed forces of the two countries."

Chi said the Nepalese delegation's visit to China is of great importance because the visit is being paid so closely following the visit of Li Ruihuan, chairman of the National Committee of the Chinese People's Political Consultative Conference (CPPCC), to Nepal.

Chi expressed the hope that with joint efforts, friendly relations of cooperation between the two peoples and the two armed forces will be pushed to a new stage.

During the meeting, Thapa conveyed greetings from Nepalese Prime Minister and Minister of Defense Girija Prasad Koirala to Chi Haotian.

Thapa said that Nepal and China are very good friends, and their friendship has stood the test of time. The two countries should further expand contacts and cooperation, he added.

The delegation arrived here Monday [29 November] morning at the invitation of the Chinese Ministry of Defense. On Monday evening, Lieutenant General Xu Huizi, deputy chief of the General Staff of the Chinese People's Liberation Army, hosted a banquet in honor of Thapa and his party.

Envoy Attends Sri Lankan Water Project Ceremony

*OW2811190293 Beijing XINHUA in English 1830
GMT 28 Nov 93*

[Text] Puttlam, Sri Lanka, November 28 (XINHUA)—A China-aided water supply project commenced operation here today to provide drinking water for the 30,000 residents of the town of Puttlam, 75 kilometers north of Colombo.

The inaugurating ceremony was attended by Sri Lankan Minister of Housing and Construction Sirisena Cooray, Minister of Justice Harold Herath, Chinese Ambassador to Colombo Zhang Lian and some 1,000 local people.

On behalf of the Sri Lankan Government and President Dingiri Banda Wijetunge, Cooray thanked China for providing assistance in solving problems like the shortage of drinking water in the island country.

The project was financed with an interest-free loan of 380 million rupees (about 7.6 million U.S. dollars) from China and an investment of 80 million rupees (about 1.6 million dollars) from the Sri Lankan Government.

The water supply scheme is the second of its kind in Sri Lanka. China has already helped the country to set up a drinking water project in the eastern town of Polonnaruwa.

Meets Prime Minister

OW3011073993 Beijing XINHUA in English 0644
GMT 30 Nov 93

[Text] Colombo, November 30 (XINHUA)—Sri Lankan Prime Minister Ranil Wickremasinghe today expressed satisfaction with Sino-Sri Lankan relations and said that he hoped bilateral cooperation would be maintained and further strengthened.

He also praised China as a genuine friend of Sri Lanka and thanked China for its support and assistance to the island country when he met outgoing Chinese Ambassador Zhang Lian.

The Sri Lankan leader lauded China for its economic reforms and achievement during his meeting with the top Chinese diplomat in Colombo.

Zhang Lian said that the Chinese Government attaches importance to the development of Sino-Sri Lankan relations, that friendship between the two peoples will remain unalterable despite the changing international situation.

She also expressed the hope that friendly and cooperative relations between the two countries will be further consolidated and developed.

'Roundup' Previews SAARC Ministers Meeting

OW0112121093 Beijing XINHUA in English 1127
GMT 1 Dec 93

["Roundup" by Pan Xiaozhu: "Poverty Alleviation To Be Highlighted at SAARC Meet"]

[Text] Dhaka, December 1 (XINHUA)—Poverty alleviation will remain the major issue for discussion when the SAARC [South Asian Association for Regional Cooperation] Council of Ministers begins a two-day meeting in Dhaka on December 4.

According to high ranking officials here, poverty alleviation is central to SAARC programme for cooperative efforts towards economic uplift while the council will deliberate on integrated programme of actions (IPA) and other relevant matters.

All the foreign ministers of SAARC states will attend the conference which will be the 13th session of SAARC Council of Ministers.

The main vehicle of SAARC activities is the IPA, which will come under review of the meeting. Other issues outside the IPA like the "people to people contact", two conventions, SAARC food reserve, would come for discussions.

The report of the independent South Asia Commission on Poverty, whose report was endorsed by the last summit, will also come under review.

Besides, the details of the South Asian Preferential Trade Agreement (SAPTA) and the South Asian Development Fund (SADF) will be deliberated upon in the meeting.

Meanwhile, the foreign secretaries of the SAARC countries, who constitute the standing committee, will begin their two-day meeting today to prepare the ground for the foreign minister level-meeting.

The foreign secretaries of the SAARC member states arrived in the city Tuesday [30 November] hoping that the meeting of the Council of Ministers will provide fresh impetus to the on-going cooperative activities of the forum.

Pakistan's Foreign Secretary Shahryar Khan was the first to arrive in Dhaka who told newsmen at the airport that different SAARC activities were continuing to the satisfaction of the member states and the coming meeting would review the activities with a view to consolidating the gains of the seven-nation regional forum.

Asked about SAPTA, Mr Khan said all members agreed on this in the last summit and it was necessary to move on the issue step by step rather than making progress in haste.

Replying to a question on nuclear issue, he said Pakistan was keen to make South Asia a nuclear-free zone.

Next to arrive was Bhutanese Foreign Secretary Dasho T J Riskin, who said SAARC progress was "smooth" and Dhaka meeting would serve as step forward towards the strengthening of the SAARC brotherhood and cooperation.

Sri Lankan Foreign Secretary B P Tilakaratne told newsmen that it was a matter of gratification that the SAARC activities moving meaningfully to the benefits of the member states.

Indian Foreign Secretary J N Dixit is expected to arrive here Thursday morning.

CPPCC Delegation Ends Visit to Yemen

OW3011151693 Beijing XINHUA in English 1417
GMT 30 Nov 93

[Text] Aden, Yemen, November 30 (XINHUA)—A delegation from the Chinese People's Political Consultative Conference (CPPCC) headed by Seypidin Aziz, vice-chairman of the CPPCC national committee, left here today after winding up a five-day visit to Yemen.

While in Yemen, the Chinese delegation had talks with officials of Yemen's Consultative Council, and met with 'Ali Salim al-Bid, vice-chairman of the Yemeni Presidential Council.

During the talks and meeting, both the Chinese and Yemeni sides expressed the hope that ties of friendship and cooperation between the two countries would be further developed.

Beijing Hosts Reception for Palestinians*OW3011141593 Beijing XINHUA in English 1331
GMT 30 Nov 93*

[Text] Beijing, November 30 (XINHUA)—A reception was held here this evening to mark the international day of solidarity with the Palestinian people.

The reception was sponsored by the Chinese People's Association for Friendship With Foreign Countries (CPAFFC).

Speaking at the reception, Vice-President Wang Xiaoxian of the CPAFFC said the Chinese people have all along supported the just cause of the Palestinian people and will continue to stand on their side.

Wang noted that the Middle East peace talks have made encouraging progress, adding that the mutual recognition between Israel and the Palestinian Liberation Organization and the following signing of the declaration of principles on interim self-government arrangements in Gaza and Jericho marked a historic breakthrough.

Wang expressed her belief that as long as all sides concerned continue to make consistent efforts, adhering to the principles of the agreement and the spirit of the peace negotiation, a just and comprehensive settlement for the Middle East issue will surely be achieved in the future.

Palestinian Ambassador to China Mustafa al-Safarini expressed his gratitude to China for the practical efforts it has made and what it is doing now to promote the Middle East peace process.

The ambassador also extended his wishes for greater achievements in China's reform and opening up.

Qian Zhengying, vice-chairwoman of the Chinese People's Political Consultative Conference National Committee, leading officials from departments concerned, and Palestinian experts and students in Beijing attended the reception.

Envoy Meets Lebanese Assemblymen on Detainees*OW2511191293 Beijing XINHUA in English 1808
GMT 25 Nov 93*

[Text] Beirut, November 25 (XINHUA)—An active Lebanese diplomatic drive has been initiated for the release of Lebanese detainees in Israeli prisons.

Three members of the Lebanese House of Representatives met this morning with the Chinese Ambassador in Beirut Zhu Peiqing at his office to brief him on the conditions of the Lebanese detainees in Israeli prisons.

The three parliamentarians, namely, 'Isam Nu'man, Ahmad 'Ajami and Muhammad Burjawi requested China as well as the international community to exert efforts for permitting the Red Cross officers to visit the detainees.

The three parliamentarians also urged to permit the detainees to receive and send letters, meet visitors, exchange visits with other detainees, and to have health check-ups until they are released.

In a statement to XINHUA after the meeting with the Chinese ambassador, Lebanese parliamentarian Muhammad Burjawi said this meeting was part of the Lebanese diplomatic drive in support of the issue of Lebanese detainees in Israeli jails, aimed at freeing the Lebanese prisoners in Israel.

Burjawi added that the follow-up committee for the issue of Lebanese detainees in Israel was established one year ago, embracing parliamentarians and barristers as members. It is exerting its efforts in concert with the Lebanese Foreign Ministry and several world organizations for the release of the Lebanese detainees in Israeli prisons.

He added that other Lebanese parliamentarians visited yesterday the Russian and French ambassadors in Beirut. The Lebanese deputies are also scheduled to call on the ambassadors of Britain, the United States and other European chiefs of diplomatic missions in Beirut Friday and Saturday [26 and 27 November] for the same purpose.

He said the number of Lebanese held in Israeli prisons stands at about 270 at present. He asserted that these detainees were not resistance men, nor were they engaged in resistance activities against Israel. They are civilians taken by Israel as hostages to exercise pressure on the Lebanese Government for political ends.

Sub-Saharan Africa**Air Force Chief Receives Zimbabwean General***OW2711133393 Beijing XINHUA in English 1238
GMT 27 Nov 93*

[Text] Beijing, November 27 (XINHUA)—General Cao Shuangming, commander of the PLA (People's Liberation Army) Air Force, met here today with Lieutenant General P. Shiri, his Zimbabwean counterpart.

The Zimbabwean guest arrived here today at the invitation of Cao.

Earlier today, General Cao hosted a ceremony to welcome Shiri at the general headquarters of the PLA Air Force.

Chi Haotian Receives General*OW2911120893 Beijing XINHUA in English 1149
GMT 29 Nov 93*

[Text] Beijing, November 29 (XINHUA)—Chi Haotian, Chinese State Councillor and defense minister, met with and hosted a dinner for P. Shiri, commander of the Zimbabwean Air Force, and his party here this evening.

Commander Cao Shuangming of the Air Force of the Chinese People's Liberation Army was present at the meeting.

Shiri and his party arrived here November 27 as Cao's guests. They are also scheduled to visit the cities of Dalian and Hangzhou.

Angolan Parliament Head Returns Home After Trip

OW3011130493 Beijing XINHUA in English 1051
GMT 30 Nov 93

[Text] Luanda, November 30 (XINHUA)—Angolan Parliament President Franga van Dunem returned here this morning from his eight-day tour to China.

Van Dunem told reporters upon his arrival at the airport that his visit to China is satisfactory and successful.

He said that he exchanged views over issues of common concerns with the Chinese leadership.

Angola will strengthen its cooperation with China, he noted, proposing that Angola should set up an embassy in Beijing as soon as possible.

Van Dunem visited China on November 16 to 23 at the invitation by the Chinese parliament.

Envoy Signs Grant Agreement in Kenya

OW0112103293 Beijing XINHUA in English 1013
GMT 1 Dec 93

[Text] Nairobi, December 1 (XINHUA)—China will grant 59.6 million Kenya shillings (about 864,000 U.S. dollars) of commodities to Kenya, a Chinese Embassy official told XINHUA here today.

The exchange of notes for the grant was signed here on Tuesday [30 November] by Kenyan Finance Minister Musalia Mudavadi and Chinese Ambassador to Kenya Chen Pingchu on behalf of their respective governments.

According to the notes, the grant is aimed at promoting the economic development as well as mitigating the economic difficulties in Kenya.

Mudavadi noted at the signing ceremony that the Chinese grant is timely as Kenya is currently experiencing difficult economic times brought about by unfavorable terms of trade, drought, worldwide recession and the suspended aid by Western countries in the past two years, saying that although the Western donor countries have agreed to resume the aid, the negative effect of the suspension is still there.

West Europe

NPC Delegation Arrives in Cyprus for Visit

OW2911161893 Beijing XINHUA in English 1440
GMT 29 Nov 93

[Text] Nicosia, November 29 (XINHUA)—A delegation of the Chinese National People's Congress (NPC) led by NPC Standing Committee Vice-Chairman Wang Bingqian arrived here from Cairo today on a five-day visit to Cyprus.

In a written statement to the press upon arrival at the Larnaca International Airport, Wang said during his stay here he would meet with Cyprus leaders and exchange views with them on the bilateral relations and international issues of common interest.

He expressed confidence that the visit would further strengthen the amicable ties and cooperation between the two parliaments and enhance the relations between the two countries in the political, economic, cultural and other fields.

During a meeting this morning with Cyprus House Acting President Vassos Lyssarides, Wang briefed the host on the political and economic situation in China. They also discussed international issues of common concern.

Wang said there were "good prospects" for the development of economic and trade relations between the two countries.

"China could offer more goods to Cyprus and Cyprus can export more good quality goods we need," he told the acting house president.

Referring to the world order, Wang said there was "turbulence and volatility" around the globe, stressing that "China continues to make a positive contribution to the settlement of regional disputes and thus contribute to world peace."

Briefing the Chinese delegation, Lyssarides said despite the high standard of living enjoyed by Cypriots, Cyprus was preoccupied with the division of the island.

Cyprus has been divided since 1974 when Turkey sent troops to take control of one third of its territory following a coup by Greek Cypriots supporting union with Greece.

"We expect a solution and rely on international law which means withdrawal of Turkish occupation troops and settlers and the demolition of the dividing wall," he said.

While in Cyprus, the Chinese delegation is due to meet with Cyprus President Glavkos Kliridis, acting Foreign Minister Phaedros Economides and leaders of political parties.

The delegation is expected to leave the island on December 3. Its current Middle East tour has already taken it to Kuwait, Syria and Egypt.

Meets President Kliridis

OW3011191493 Beijing XINHUA in English 1836
GMT 30 Nov 93

[Text] Nicosia, November 30 (XINHUA)—Cyprus President Glavkos Kliridis today met a delegation of the Chinese National People's Congress (NPC) led by NPC Standing Committee Vice-Chairman Wang Bingqian.

The two sides discussed bilateral relations as well as regional and international issues of common concern.

Wang briefed the president on the political and economic situation in China and said the development of China required a peaceful world environment and the support of the international community.

He said China highly appreciated its relations with Cyprus, a country which pursues a non-aligned policy externally and economic development internally.

On the Cyprus problem, Wang pledged that China, as a permanent member of the U.N. Security Council, would do all it could to facilitate a just and fair solution to the long standing issue.

President Kliridhis said that since the independence of the Republic of Cyprus, the relations between the two countries "have been gradually strengthened" and expressed confidence that the cooperation in economic, cultural and other fields could be further enhanced.

The president said the two countries could also cooperate more closely on the international arena.

The Chinese delegation arrived Monday [29 November] on a five-day official visit to Cyprus within a Middle East tour that already took them to Kuwait, Syria and Egypt.

Delegation members also met today with the island's acting Minister of Foreign Affairs, Minister of Finance, Phaedros Economides, the leader of the Socialist Party Edek, Minister of Commerce and Industry Stelios Kiliaris as well as Mayor of Nicosia Lellos Dimitriadhis.

On Monday, the delegation met the acting President of the Cyprus Parliament Vassos Lyssaridhis and Secretary General of the Communist Party Akel Dimitris Christofias.

The delegation is expected to leave the island on December 3.

Beijing Hosts German Chemical Company Delegation

Ministry, Company Sign Accord

OW2711125393 Beijing XINHUA in English 1125 GMT 27 Nov 93

[Text] Beijing, November 27 (XINHUA)—Bayer AG of Germany, a leading chemical company in the world, will invest an initial sum of 200 million U.S. dollars in China under an agreement signed with the Chinese Ministry of Chemical Industry today.

Bayer also signed letters of intent on starting six projects with Chinese chemical companies. These are the first batch of projects bayer intends to help establish in China, according to a senior official of the German company based in Leverkusen.

"Western economies, including the chemical industry, are presently going through difficult times," acknowledged Dieter Becher, Bayer board member and spokesman for the Far East region.

Bayer sales are weak in Europe. In contrast, sales in the Far East are increasing. "Everybody who wants to be a major player in industry beyond the year of 2000 must have an appropriate presence in the region," he said.

The agreement calls for "comprehensive cooperation" between Bayer and the ministry, involving technological cooperation, joint research and development, and joint construction of chemical installations.

Also covered by the agreement is cooperation in designing, scientific research, personnel training, environmental protection and trade.

The first China-Bayer joint venture was set up in 1986 in Shanghai, and the total sales of bayer products in China have amounted to 520 million german mark.

"Time has come for our company to set up production bases in China," the Bayer official said.

Zou Jiahua Meets Guests

OW2711132293 Beijing XINHUA in English 1239 GMT 27 Nov 93

[Text] Beijing, November 27 (XINHUA)—Chinese Vice Premier Zou Jiahua met here today with Dr. Dieter Becher, member of the board of management of the Bayer Company and the board's spokesman for the Far East region, and his party.

Zou expressed congratulations on Bayer's signing of an agreement of co-operation and six letters of intent with Chinese departments.

He said China and Germany have established sound co-operative relations, and Germany is China's largest trading partner in Western Europe.

He noted that the Chinese Government attaches great importance to the development of its friendly relations of co-operation with Germany, adding that the recent successful visit to China by German Chancellor Helmut Kohl has further promoted the development of relations between the two countries.

Zou said that he is convinced that the friendly co-operative relations between the two countries, which have been established on the basis of mutual trust, equality and mutual benefit, will be further developed through joint efforts.

Bayer AG, a leading international chemical company, will invest an initial sum of 200 million U.S. dollars in China under an agreement signed with China's Ministry of Chemical Industry today.

Bayer also signed letters of intent on starting six projects with its Chinese counterparts here today.

The agreement and the letters of intent cover technological co-operation, personnel training, environmental protection, trade and so on. Becher and his party arrived here Friday [26 November] at the invitation of the Ministry of Chemical Industry.

Company Announces Investment

HK2911040093 Beijing CHINA DAILY in English
29 Nov 93 p 1

[By staff reporter Zhang Yuan: "Bayer AG To Invest Over \$200m in China"]

[Text] A leading industrial giant, Bayer AG of Germany, has announced it will invest more than \$200 million in projects to be built in China within the next few years.

Dieter Becher, a member of the board of management of Bayer AG, announced the investment plan at a press conference in the Great Hall of the People on Saturday.

After the conference, Bayer AG signed a comprehensive basic agreement with the Chemical Industry Ministry.

The agreement, involving 20 projects in five areas, is the second major chemical deal struck by a German company in the last week.

The deals have been struck in the wake of German Chancellor Helmut Kohl's recent visit to China.

Last Thursday [25 November], Basf AG signed a deal with the chemical ministry on cooperation of farm pesticide research and production.

Bayer AG also signed letters of intent with six Chinese partners on setting up joint ventures in Shanghai, Tianjin and Wuxi.

The company's investment in the ventures will hit about \$200 million, making it one of the largest deals by German firms in China.

Becher outlined the six projects, which, in accordance with the agreement signed with the Chemical Industry Ministry, are the first batch of Bayer's 20 investment projects in China.

They include:

- Setting up a joint venture with the Shanghai Chloro Alkali Chemical Company Ltd and the Shanghai Chemical Industry Bureau to produce 12,000 tons of polycarbonate annually;
- Co-investing with Shanghai Leather Chemicals in construction of plants for the manufacture of auxiliaries for the leather industry;
- Constructing with the Shanghai Coating Corporation an iron oxide grinding and mixing plant, which will be operational in 1995;
- Co-establishing with the Tianjin Bohai Chemical Industry Group Corporation and the China National Chemical Construction Corporation to build a hydrazine hydrate plant in Tianjin, which will start production in 1996;
- Setting up with the Wuxi Dyestuffs Factory in Jiangsu Province, a plant to produce dispersion dyes, designed to be in operation in 1995;

—Planning to build a joint venture at Wuxi for cutting and packaging photographic film, colour paper, and Agfa x-ray film.

Bayer sales have increased by 16

in the Far East in the first nine months this year. Last year, sales volume in China reached 520 million Deutsche marks (\$305.8 million).

The figures indicate that "everybody who wants to be a major player in the industry beyond the year 2000 must have an appropriate presence in (Asia)," Becher said.

"It is obvious that imports cannot be the long term basis to supply what may be one of the world's biggest single markets in the not too distant future," Becher stressed, adding that Bayer AG opened its first sales bureau in Shanghai 80 years ago.

"Time has come for our company to start production in China," he said.

To coordinate its future business activities in China, Becher said that Bayer AG has started negotiations with the Ministry of Foreign Trade and Economic Cooperation to establish a solely-owned holding company in Beijing.

Latin America & Caribbean

Daily Reports Jiang's 23 Nov Speech in Brazil

HK0112053093 Beijing RENMIN RIBAO in Chinese
24 Nov 93 pp 1, 4

[By reporters Zhu Manting (2612 3341 1656) and Li Zhiming (2621 1807 2494): "President Franco Hosts Grand Luncheon To Welcome President Jiang Zemin; the Two Leaders Highly Praise Sino-Brazilian Relations of Friendship and Cooperation"]

[Text] Brasilia, 23 Nov (RENMIN RIBAO)—At noon today, Brazilian President Itamar Franco hosted a grand luncheon in the Brasilia Hall of the Brazilian Foreign Ministry to warmly welcome President Jiang Zemin on his state visit to Brazil. President Franco and President Jiang Zemin both made speeches which brimmed with warm feelings, highly praising Sino-Brazilian relations of friendship and cooperation.

President Franco delivered his speech first. He said that he was very happy to welcome President Jiang Zemin and his honorable entourage. He was convinced that this visit by President Jiang Zemin will open up a fruitful stage in the history of Brazilian-Chinese relations.

Franco said: President Jiang Zemin's visit to Brazil signifies a meeting of an ancient civilization, which is admired for its persistent, indomitable, and innovative ability, with a young and vital society. Our societies are bravely facing up to challenges in the social and economic fields.

Franco said: The 1980's was a period of low growth for Brazil's economy. Today, it has resumed development

with new vitality. Such development is built on an even more solid basis, in which we have particularly concerned ourselves with distribution of income and rectification of the state finances. We are continuing to move ahead smoothly on the road of reform and economic opening. As one of such results, Brazil is now more open to the outside. In the international market, Brazil is continuously establishing a more competitive position.

Franco continued: The relations between our two countries have acquired a new and decisive impetus. During the past 20 years, our connections have become closer, more diversified, and richer. During that period, we have made many achievements together and greatly improved the degree of our mutual accommodation. Brazilian-Chinese dialogue has now ripened. This is attributable to the many consistencies and converging points in the foreign policies of our two countries. The bilateral relations have entered a period of constant growth. We have developed from a relationship of commodity bartering to a true economic interrelationship between the two countries and we are striving toward an effective partnership.

We are happy to see that Brazilian and Chinese enterprises are joining hands to undertake large projects in China and Brazil. We are working closely together in the scientific and technological field and are jointly developing two earth resources technology satellites. I am particularly happy that our government is able to give a decisive push to this. We wish to expand this cooperation to include other sophisticated areas, such as biotechnology, fine chemical industry, and new materials.

Franco further said: President Jiang is visiting Brazil when international relations are at an extremely important stage. The new international order requires that our two countries share responsibility in establishing a more just and democratic international coexistence. Brazil and China agree that the development agenda and the peace agenda are inseparable and complement each other.

President Jiang Zemin delivered a speech of thanks, saying: I am very happy to have come to the great Federative Republic of Brazil on a state visit at the invitation of President Itamar Franco. The moment we landed in your beautiful and fertile land, we were immersed in the friendly atmosphere of the Brazilian people. Today, His Excellency, Mr. President, is hosting a grand banquet in my honor and has made an enthusiastic and friendly speech. I would like to express my heartfelt thanks to His Excellency, Mr. President, and the Brazilian Government and people. I would like to take this opportunity to convey to the Brazilian people cordial greetings and good wishes from the Chinese people.

President Jiang Zemin said: Though it is my first visit to Brazil, I am not unfamiliar with your country. The Brazilian people's spirit of unity and struggle shown in their efforts toward national independence and the unusual feats they have achieved in building their

country are admirable. The enterprising Brazilian people have made important contributions to the development of human civilization with their diligent hands. The unique architecture of Brasilia, designated as man's cultural heritage by UNESCO and the Itaipu Hydroelectric Power Station, which can be rated as the "project of the century," are the crystallization of the wisdom of the Brazilian people. At present, the Brazilian Government and people continue to engage themselves in their country's modernization and make unremitting efforts for the reinvigoration of their national economy. In its foreign relations, Brazil pursues the diplomatic policy of independence and initiative and takes an active part in, and acts as a catalyst for, the integration of Latin America; works hard to safeguard regional and world peace; is playing an increasingly important role in international affairs; and has won widespread acclaim from the international community. The Chinese people heartily rejoice at the achievements the Brazilian people have made and wish you new and greater achievements.

President Jiang Zemin continued: During the past 15 years, China, by pursuing the policy of reform and opening up, has brought great and historic changes to the face of the country and made achievements which have attracted worldwide attention. Its economy has maintained high growth rates, comprehensive national strength has greatly increased, and the people's living standards have significantly improved. In the 1980's, we fulfilled the goal of doubling the gross national product two years ahead of schedule. Into the 1990's, a new upsurge has come in the reform and opening up of our country. At present, our country is enjoying political and social stability and the people of the whole country, with a high morale and a down-to-earth spirit, are deepening the reform, expanding the opening up, speeding up the economic development, and striving diligently toward the grand goal of the country's modernization.

Jiang said that though China and Brazil are in the eastern and western hemispheres, respectively, separated by a vast ocean, with different social systems, languages, and cultures, yet our common tasks and common interests are to closely link up our two great nations. Both our countries have vast territories, rich resources, and large populations. This is a superior condition for our cooperation. Similar historical experiences and the same status as developing countries today has made us friends who can trust each other. Both countries have accumulated rich experience in building their own countries and can draw upon each other's experience. They have a similar level of economic strength and technological development, yet with their own characteristics which can be exchanged and which complement each other. Looking back on the history of nearly 20 years since China and Brazil established diplomatic relations, we can see, to our satisfaction, that through the concerted efforts of both sides, the two countries have made gratifying achievements in their friendly cooperation in all fields. The two countries have been having close contacts, frequent exchanges of high-level visits, and ever-expanding fields of cooperation. The cooperation

between our two countries has expanded to such high-technology fields as joint development of earth resources technology satellites and peaceful utilization of outer space. It is apt to say that the Sino-Brazilian relations have entered a new stage of steady development.

Jiang maintained: China and Brazil are respectively the largest developing countries in Asia and Latin America, bearing weighty responsibility for the maintenance of world peace and the promotion of mankind's progress. Close cooperation between China and Brazil not only has an enormous impact on the development and progress of Asia and Latin America but also contributes to the lofty cause of promoting world peace and development. At present, the economic development in the Asian-Pacific region is displaying great vitality and Latin America's economy is also showing good momentum. This provides a good opportunity for us to expand cooperation.

In order to help the friendly, cooperative relations between China and Brazil to move forward, President Jiang Zemin put forward the following four-point proposal:

- To forge closer political ties; increase direct contacts and dialogue between high-level leaderships; bring the existing Sino-Brazilian political consultation mechanism into full play; expand the friendly exchanges at various levels and in all fields between the two countries; improve mutual understanding and trust; and jointly build a long-term, steady, and mutually beneficial relationship of friendship and cooperation between China and Brazil.
- To continuously push forward the development of bilateral economic relations and trade, promote common prosperity, and set an example for South-South cooperation. To give play to each side's own advantages, diligently explore and open up new channels and new fields for Sino-Brazilian economic cooperation and trade, and, in particular, develop and expand the Sino-Brazilian cooperation in high-technology fields in a steady way. To energetically encourage contacts between the personnel from public and private enterprises, scientific and technological circles, and regions, provinces, and cities of the two countries; and support various talks, symposiums, and exhibitions to strengthen information exchange.
- To strengthen nongovernmental contacts and extensively conduct all forms of cultural, educational, academic, and sports exchanges and cooperation.
- In international organizations and international affairs, to maintain close consultations, strengthen coordination, support each other, jointly safeguard the rights and interests of developing countries, and help

establish a new international political and economic order which is peaceful, steady, just, and rational.

President Jiang Zemin expressed the sincere hope that China and Brazil would strengthen exchanges, learn from each other, keep their feet planted in the present, have their eyes on the future, seize the new opportunities for cooperation between China and Brazil created by the current changes in the international situation and the regional economic development, bring the Sino-Brazilian relationship of friendly cooperation to a new height in the final years of the 20th century, and join hands in moving toward the 21st century.

Other Chinese guests invited to the banquet included Qian Qichen, vice premier of the State Council and foreign minister; Zeng Qinghong, special assistant; Yang Dezhong, special assistant; Liu Huaqiu, vice foreign minister; Gu Yongjiang, vice minister of foreign trade and economic cooperation; and Shen Yunao, Chinese ambassador to Brazil.

Attending the banquet from the Brazilian side were over 200 people, including members of the cabinet, congressmen, and personalities from political and economic circles.

The banquet was permeated with a warm and friendly atmosphere from beginning to end.

Qiao Shi Receives Cuban Assembly President
OW3011135393 Beijing XINHUA in English 1327 GMT 30 Nov 93

[Text] Beijing, November 30 (XINHUA)—Qiao Shi, chairman of the Standing Committee of China's National People's Congress (NPC), met here this evening with Ricardo Alarcon de Quesada, president of the National Assembly of People's Power of Cuba.

Qiao, in a friendly talk with Alarcon, said that the relations between China and Cuba are good, adding that Chinese President Jiang Zemin received warm hospitality during his recent visit to Cuba.

He expressed the conviction that Alarcon's current visit will contribute to the strengthening of bilateral ties, noting that the legislatures of the two countries should have more contacts.

Alarcon said that he believed his visit will deepen his understanding of China's experience and that the friendly ties between the two countries will be expanded and improved through the visit.

On Chinese experience, Qiao said that China has undergone twists and turns in both its construction and revolution, adding that his country will sum up past experiences to improve current work.

After the meeting Qiao hosted a dinner in honor of the Cuban guests, who arrived here this morning.

Guangdong Receives Uruguayan President Lacalle
OW3011142093 Beijing XINHUA in English 1401
GMT 30 Nov 93

[Text] Guangzhou, November 30 (XINHUA)—President of Uruguay Luis Alberto Lacalle Herrera paid a visit to Nanhai City today, where he inspected some Sino-foreign joint ventures and rural industries.

Over 50 people from Uruguayan industrial and commercial circles who are accompanying President Lacalle on the visit held talks with Guangdong's departments concerned on economic cooperation and trade.

In the evening, the Uruguay president had a meeting with and was guest at a banquet given by Lu Zhonghe, vice-governor of south China's Guangdong Province.

Lacalle and his party arrived in Shenzhen, one of China's special economic zones, yesterday to begin his state visit to China at the invitation of Chinese President Jiang Zemin.

His entourage includes some 80 government officials and business people.

He will visit Shanghai, China's largest industrial city, before arriving in Beijing, where he will meet and exchange views with Chinese leaders on bilateral relations and issues of common interest.

Political & Social

Guangdong Intercepts U.S.-Bound Illegal Emigrants

HK3011143893 Beijing ZHONGGUO XINWEN SHE
in English 1418 GMT 30 Nov 93

[Text] Guangzhou, November 30 (CNS)—Thirty-two would-be illegal immigrants from Fujian Province have been apprehended in Xuwen County, Guangdong Province.

According to the Guangdong Department of Public Security, the border division of the Guangzhou Bureau of Public Security, acting on a tip from the Fujian border bureau on November 16 which said a number of would-be illegal immigrants from Fujian had gone to Xuwen County via Guangzhou with the aim of attempting to sneak into the United States. Xuwen County is located at the southern tip of the Leizhou Peninsula facing Hainan Island.

A special task force from the Zhanjiang bureau of public security together with Xuwen County police launched raids overnight on November 17 and arrested the 32 people at two hostels. The police found in their belongings a number of papers bearing telephone numbers and addresses in the United States as well as some letters related to illegal immigration. Seasickness medicine was also discovered.

Those arrested came mainly from Lianjiang, Minhou and Changle counties as well as from Fuzhou suburban areas. They admitted their intention of trying to reach the United States.

Dissident Ma Shaohua Reportedly 'Missing'

HK0112064093 Hong Kong AFP in English 0547 GMT
1 Dec 93

[Text] Beijing, Dec 1 (AFP)—Chinese dissident Ma Shaohua, one of the country's leading human rights activists, is missing and his friends fear he has been arrested by the police. Friends of Ma in the central city of Xian, from where he travelled to Beijing last week, as well as associates in the Chinese capital, said they had had no news of Ma since Monday.

Ma, 25, one of the leaders of a dissident group in Xian, arrived in Beijing with another activist, Zheng Xuguang, to meet dissidents here who recently signed a "Charter for Peace." The two groups met last Thursday and decided to coordinate their efforts to develop the human rights movement in China. Zheng was arrested in Beijing Saturday and two signatories to the charter, Qin Yongmin and Yang Zhou, have been detained since November 15, the day after the signing of the charter.

The Beijing public security bureau has confirmed the arrests of Qin and Yang but have given no information on Zheng or Ma.

"The authorities' message seems clear to us, they will not allow dissidents from different parts of the country to

meet, especially in Beijing. That's why, for the moment, only our friends from the provinces have been arrested," explained one of the charter's signatories.

Qin Yongmin was originally from Wuhan and Yang Zhou from Shanghai.

The recent upsurge in dissident activity is the largest since the military crackdown on the pro-democracy movement in 1989.

Book On East Europe Banned

HK2911054793 Hong Kong MING PAO in Chinese
29 Nov 93 p 10

["Special article" by Chen Ching (7115 2532): "Dissident Ma Shaohua's Book Discussing Causes for Drastic Changes in Eastern Europe Banned"]

[Text] Zheng Xuguang and Ma Shaohua are young men who are advocating human rights in Xian. Ma Shaohua is the author of *Eastern Europe: 1989-93*, which was banned by the Propaganda Department under the CPC Central Committee immediately after its publication in Xian in September. Last month, Ma Shaohua was detained for two days in Xian because of this affair, and Zheng Xuguang, who defended Ma against the injustice, was detained for eight hours and beaten.

On 2 November, Ma Shaohua and Zheng Xuguang filed "charges" in the Yanta District People's Procuratorate in Xian City and demanded an investigation to find out who was to blame for the crime of illegal detention. Ma Shaohua said that during his detention, he was allowed to take a rest at nearly 0300 only after he was interrogated by several men who called themselves police without producing their credentials. Afterwards, nobody confirmed that the action was taken by police authorities.

Eastern Europe: 1989-93 was nominally published by the Shaanxi People's Education Publishing House, but, in reality, it was learned that the book was published through the method of "buying a book number." Consequently, the editor who was responsible for publishing the book was discharged from public office.

The general idea of the book was: The fundamental causes of the drastic changes that have taken place in Eastern Europe in 1989 were that "people in Eastern Europe could no longer tolerate the original ruling cliques which were enjoying exclusive prerogatives and stifling humanity, that they could not tolerate the sluggish economic situation and long-term poverty caused by the public ownership system and the central planned economy, and that they could not tolerate one-party autocracy."

The author pointed out: "In Eastern Europe, real socialism finally became the loser in history."

The book was prefaced with an article entitled the "Wind of Freedom," which was written by Federico

Mayor Zaragoza, director general of the UN Educational, Scientific, and Cultural Organization. In addition, the introduction to the book said: Following the drastic changes in Eastern Europe, "real socialism, just as the Berlin Wall, was nothing but a futile waste of human labor, thus giving rise to interpersonal mistrust, misunderstanding, and hostility."

The book concluded that the "prescription" for revival of Eastern European countries consists of three "medicines," that is, governments resolutely advocating comprehensive reform, a pro-West position, and implementation of a free market economy. It said that "the country which first succeeds in making up the prescription will march at the head of revival."

MING PAO Reporter Xi Yang Facing Prosecution

HK0112035293 Hong Kong MING PAO in Chinese 1 Dec 93 p a2

[Report: "Xi Yang's Case Has Been Handed Over to the Procuratorate, and MING PAO Hopes That Xi Will Be Exempted From Prosecution"]

[Text] The Beijing Municipal State Security Bureau has already finished investigating the case of Xi Yang, a reporter with MING PAO; the bureau has already handed the case over to the procuratorial organ, but the procuratorate has yet to decide if it will prosecute Xi Yang in the law court.

A person in charge of MING PAO editorial department said yesterday that he hopes the relevant procuratorial organ in Beijing Municipality can exempt Xi Yang from prosecution.

The MING PAO editorial department yesterday called the State Security Bureau to enquire about the condition and was informed that Beijing Municipal State Security Bureau, which had detained MING PAO reporter Xi Yang for two months, had already finished the first round of investigating his case and, by 27 November, had handed it over to the sub-procuratorate of Beijing Municipal People's Procuratorate, suggesting prosecution.

According to the Criminal Procedure Law on the mainland, after finishing the investigation into a case, the public security organ should compile an opinion document favoring prosecution or an opinion document favoring a waiver of prosecution, and this document, together with materials and evidence relating to the case, should then be handed over to the people's procuratorate of the same level for examination and decision, whereas the procuratorate should make a decision on the opinion document favoring prosecution or waiver of prosecution within a month, but serious and complicated cases may have the period extended by 15 days.

MING PAO reporter Xi Yang was detained for investigation on 27 September 1993 by the Beijing Municipal State Security Bureau; he was officially arrested by the bureau on 7 October.

The person in charge of the MING PAO editorial department said yesterday that he hopes the sub-procuratorate of Beijing Municipal People's Procuratorate will consider the concrete conditions of Xi Yang's case, and exempt him from prosecution; and that on the other hand, if the relevant procuratorate decides to prosecute Xi Yang in court, MING PAO hopes the trial can be conducted in an open and just manner, and Xi Yang's family members and the representative of his employer will be allowed to attend the hearing in the law court.

Chen Yun Said Suffering From 'Acute' Pneumonia

HK0112080593 Hong Kong CHENG MING in Chinese No 194, 1 Dec 93 p 18

["Reference News" by Yun Yun (0061 0061): "Chen Yun Contracts Acute Pneumonia"]

[Text] Chen Yun, the former chairman of the Central Advisory Commission, contracted acute pneumonia on 15 November, when heart and lung specialists from Shanghai's Huadong Hospital and Guangci Hospital hastened to Hangzhou on a special military airplane to join in consultation.

It has been reported that Chen Yun has been living in his residences on the shore of the West Lake in Hangzhou and in the western suburbs of Shanghai for a long time. He caught a cold, which developed into pneumonia, when he took a stroll in a wheelchair on the bank of the West Lake. Li Ruihuan and Zou Jiahua hurried to Hangzhou to express their concern the next day. His medical team has proposed that he be transferred to Shanghai or Beijing for treatment after his condition has stabilized.

It has been reported that Chen Yun is writing his memoirs beginning with the PRC's founding, in the form of an oral account, and the title of the book is temporarily called "A Summary of Economic Work Since the PRC's Founding."

Hu Jintao: Studying Deng's Works 'Political Task'

OW3011152393 Beijing XINHUA in English 1419 GMT 30 Nov 93

[Text] Beijing, November 30 (XINHUA)—Hu Jintao, one of the top leaders of the Communist Party of China (CPC), stressed here today that leading officials should consider it a political task to study theories and arm their minds.

Hu is now a member of the Standing Committee of the Political Bureau of the CPC Central Committee, a member of the Secretariat of the CPC Central Committee and president of the party school of the CPC Central Committee.

Addressing a commencement of the second class in theory for leading officials at the provincial level, Hu said that leading officials should pay attention to four aspects in studying the selected works of Deng Xiaoping.

First, it is necessary to deepen their understanding of the importance and urgency of mastering the theory on building socialism with Chinese characteristics. So long as they fully understand the political, theoretical, immediate and long-term significance of the theory, they can enhance the sense of their historical mission and work responsibility and be more conscientious in studying the theory.

Second, it is imperative to read Deng Xiaoping in the original so as to grasp the essence through systematic study.

Third, on the basis of reading and studying the original works, symposia on major issues should be held to draw on collective wisdom and absorb all useful ideas.

Fourth, it is necessary to carry forward the study style of integrating theory with practice. Attention should also be paid to the timely summing up of experience and drawing of lessons from it.

Hu Jintao pointed out that the decision of the CPC Central Committee on some issues concerning the establishment of a socialist market economic structure, which was adopted at the recent Third Plenary Session of the 14th CPC Central Committee, draws up the basic outline of a socialist market economic structure.

Under the new circumstances, he stressed, it is necessary to integrate the study and carrying out of the spirit of the Third Plenary Session of the 14th CPC Central Committee with the applying of the thought of the third volume of the Selected Works of Deng Xiaoping so as to smash the trammels of old ideas and be bold in putting ideas into practice and blazing new trails.

Also present at the meeting was Wen Jiabao, an alternate member of the Political Bureau of the CPC Central Committee and a member of the Secretariat of the CPC Central Committee.

Li Tieying Urges Reform of Leadership Style

HK0112101093 Beijing ZHONGGUO XINWEN SHE
in Chinese 1111 GMT 29 Nov 93

[By reporter Xiao Dui (5135 3843)]

[Text] Beijing, 29 Nov (ZHONGGUO XINWEN SHE)—While talking with press circles today, Li Tieying, state councillor and minister of the State Commission for Restructuring the Economy, said: In the course of reform from a planned economy to a market economy, the outmoded leadership style of relying on issuing documents, holding meetings, relaying instructions from the higher authorities to the lower levels, and so on is no longer suited to the new situation. It is necessary to improve leadership style by means of reform, particularly by drawing support from the modern media to accurately convey the voices of reform in a timely manner.

Li Tieying said: ZHONGGUO GAIGE BAO [CHINA REFORM DAILY], which has been set up in the form of

a modern enterprise, will start publication on 1 January next year. He said that it was also necessary to run this newspaper well by means of reform. This does not mean reforming the socialist orientation of the newspaper but its management structure.

Talking about the current reform situation in the trial issue of ZHONGGUO GAIGE BAO, Li Tieying pointed out: Reform in the 1980's put stress on "getting rid of outmoded ways," delegating power to the lower levels and letting them retain a proportion of profits, practicing the contract responsibility system, and so on, and this broke through the original management structures, liberated the productive forces, and promoted economic development to a certain extent. Since the beginning of the 1990's, reform has undergone qualitative changes and has entered a new stage. This means changing track comprehensively and fundamentally and establishing a new socialist market economic structure.

Li Tieying stressed: Today, the issue of development is, in essence, the issue of reform, of what reform aims at, and of how reform is carried out. On the issue of development, wherever conditions for faster development exist, development should be accelerated there; and wherever the conditions for faster development have not matured for the time being, they should be positively and deliberately created. In the meantime, we should respect objective laws, act according to our capabilities, and guard against big economic ups and downs to avoid large losses.

With regard to the issue of opening to the outside world, Li Tieying pointed out: We should emancipate our minds and be bold in assimilating all of the achievements of civilization created by human society, including all advanced operational modes and managerial expertise, among other things, of the capitalist countries, which reflect the laws governing modern production. Meanwhile, we should also proceed from China's national conditions so that our endeavor will reflect our innate socialist character and distinguishing features.

Housing System Reform Conference, Issues Reported

Li Tieying on 'Basic Framework'

OW0112082993 Beijing XINHUA Domestic Service in Chinese 0827 GMT 30 Nov 93

[Text] Beijing, 30 Nov (XINHUA)—Li Tieying, state councillor and head of the State Council's leading group for the reform of the housing system, addressed the third national work meeting on reform of the urban housing system which opened today. He pointed out at the meeting the following basic concepts for the reform of the housing system at present: We should sell, lease out and build houses simultaneously, with emphasis on selling public-owned housing. We should adopt relevant policies, create a housing market, and accelerate the development of the housing industry. We should speed up the commercialization and socialization [she hui hua 4357 2585 0553] of housing, establish a new urban

housing system soon which meets the requirements of socialist market economy, and fulfill the demand that urban residents become comfortably off in housing by the year 2000.

The main item on the agenda of the meeting is working in accordance with the guidelines of the Third Plenary Session of the 14th CPC Central Committee, seriously summing up the experience since the second national work meeting on reform of the urban housing system, discussing the "(draft) decision of the State Council on accelerating the reform of the urban housing system," further unifying thinking, and studying the policies and measures for accelerating the housing reform. Present at the meeting were Chen Jinhua, Hou Jie, Liu Zhifeng, Xiang Huaicheng, Wang Qishan, Liu Mingpu, Chu Chuanheng, Cheng Lianchang, Li Tuodong, Zou Yuchuan, Liu Guoguang, and other leading comrades.

Li Tieying expounded the basic framework for China's new urban housing system which conforms to socialist market economic structure. He said: The seven guiding principles for housing reform laid down by us is also the basic framework for the new urban housing system. To sum up, they are a rational burden among three parties, socialized operation, housing distribution in the form of cash allowance, two supply systems, general accumulation fund system, development of housing financing, and standardization of market.

Li Tieying explained: Rational burden among three parties means that we should change the system of housing investment by the state and work units only, and practice a system of the state, the work unit and individuals sharing the burden. Socialized operation means that we should change the system of housing construction, distribution, maintenance and management by work units alone, and practice a system of socialized and specialized operation. Housing distribution in the form of cash allowance means that we should change the system of allocating housing as a welfare item, and practice the system of cash housing allowance as part of wages. Two supply systems mean the establishment of an economic housing supply system of social security nature for average income families, as well as a commercialized housing supply system for high-income families. General accumulation fund system means all-around practice of the accumulation fund system for housing. Development of housing financing means introduction of savings deposits for housing purchase, housing mortgage loans, housing purchase by installment payments, and housing insurance, as well as the establishment of a housing loan system which meet both government housing policy and commercial needs. Market standardization means the establishment of a standardized housing market, development of various service organizations for property management, housing decoration and maintenance, and perfection of relevant management and taxation systems.

Li Tieying pointed out: The new housing system will increase investment in housing construction, bring about

a self-sustained growth in housing funds, promote the development of real estate and related industries, and help resolve housing problems encountered by the masses more rapidly. It will also raise efficiency in the allocation of resources, reduce social burdens on enterprises and units, promote the standardization of income distribution and the calculation of personal income in terms of the amount of currency received, and arouse workers' initiatives. Further, it will stop unhealthy practices in housing assignment through the change of system and guarantee housing for low-income residents, thereby promoting social equity.

After analyzing the current difficulties in housing reform, Li Tieying said: The direct means for achieving housing commercialization is raising rents and selling homes. However, practice in the recent years shows there are many problems in raising rents. In cities and prefectures where housing reform has been in force, the average rent has been adjusted to around 0.3 yuan per square meter per year, less than the annual maintenance fee for 1992, which is one of the many outlays that should have been covered by the rent. Particularly in recent years, the cost of maintaining, managing, and building homes has risen very fast, and the level of rent increases has lagged behind the level of commodity price increases. If we increase rents by a small margin, we would not be able to free ourselves from the low-rent situation and break the stalemate in housing reform. On the other hand, if we increase rents by a large margin, we would face budget constraints, the question of financial difficulties on the part of enterprises, and the question of residents' ability to tolerate rent increases. It is difficult to keep up with the current situation, meet the needs of accelerated housing reform, and achieve housing reform goals by emphasizing subsidies for rent increases alone. We must sell, lease out, and build houses simultaneously, focusing on selling public housing. This is the way to accelerating housing reform, given our reality.

Li Tieying emphatically pointed out: We cannot afford to wait and see in housing reform. If we fail to take the step, we will miss the opportunity of housing reform and delay the development in housing construction. Leaders at all levels must achieve unity in thinking, and the whole nation must make concerted efforts to accelerate reform of the urban housing system, speed up housing construction, resolve the people's housing difficulties, and basically establish a new urban housing system by the year 2000.

Liu: Focus on Publicly-Owned Housing

*OW3011131493 Beijing XINHUA in English 1238
GMT 30 Nov 93*

[by Li Zhurun]

[Text] Beijing, November 30 (XINHUA)—China is to accelerate housing reform in urban areas, with an emphasis on the sale of publicly-owned housing to individual wage earners, an official from the State Commission for Restructuring the Economy said today.

According to Commission Vice-Minister Liu Zhifeng, the State Council has agreed in principle to new rules on speeding up housing reform which will soon be applied nationwide.

The reforms are designed to phase in a new housing system in line with the dictates of a socialist market economy while speeding up housing construction for urban residents, Liu told the opening session of a National Housing Reform Conference.

Liu said that by the year 2000, urban residents will become "well-to-do" so far as housing is concerned. Experts at the Construction Ministry say that this means a 60-square-meter apartment with one sitting room and two bedrooms for each urban family of three or four persons.

Over the decades, almost all housing was nationalized. Under the central planning system, living space was allocated by the government or state-run work units, and rent was nominal, barely enough to cover maintenance costs.

Publicly-owned housing—now totaling 2.7 billion square meters of building space—"has become a burden to the state and enterprises rather than an asset," Liu said, noting that housing maintenance alone costs seven to eight billion yuan a year.

With depreciation costs—about two percent—counted, Liu added, the state and enterprises lose 26 billion yuan every year.

By selling publicly-owned housing, Liu said, the government hopes to recover construction costs for reinvestment in new housing projects.

"If ten percent of that much housing is sold, some 95.4 billion yuan will be recovered," he said.

The new policy will also facilitate another major reform measure—changing rent prices from something symbolic into "something real."

For China, the only way to alleviate the housing shortage is to make housing a transferable commodity, and the only way to achieve that goal is to sell publicly-owned housing or raise rents, Liu explained.

Liu said that selling prices will be calculated by taking into account the average annual wages in the year prior to the sale in a given city or region, Liu said.

A two-room apartment built in 1993, for example, will be sold at a price equivalent to three times the 1992 average annual wages of both the husband and wife of an average family.

That means that over a period of 25 years, the couple each year will pay 12 percent of their annual wages. "Most families should be able to afford it," Liu said.

Deductions will be made if the buyer pays the total sum at the time of buying. Buying in instalments will also be encouraged. The initial instalment should be no less than

30 percent of the purchase price and the total should be paid within ten years. Meanwhile, banks will extend mortgage loans especially for housing purchases.

Along with the rise of wages, the base figure for housing prices will rise. By 2000, the price of an apartment should have risen to four times the average annual wages of both the husband and wife, and by 2005, to five times.

Liu said that by 1995, housing rents should become high enough to cover the maintenance, management and depreciation costs, and by 2000, to cover these three items plus interest on the capital investment and the housing tax.

Retirees and wage earners living below the poverty line may have their rent deducted or eliminated for a fixed number of years. Meanwhile, deductions will be made in grades that correspond to the working years of buyers, Liu said.

"Nevertheless," Liu said, "from a longer point of view, their problems should be resolved by improving China's social security system."

Liu also envisaged publication of measures in step with the housing reform which, aside from the raise in rent and the extension of mortgage loans for housing purchases, will include measures to standardize the housing market and establish housing purchase funds.

'Roundup' Views Reform Measures

OW0112060693 Beijing XINHUA in English 0546
GMT 1 Dec 93

["Roundup": "China Carries Out Full-Scale Housing Reform"]

[Text] Beijing, December 1 (XINHUA)—China has begun a full-scale housing reform in a bid to speed up housing construction and commercialize housing.

Reform measures include higher rents, the establishment of housing funds and the sale of government-built apartments.

A better housing condition is a major component of the country's goal of securing comfortable living standards for its residents by the end of the century.

An official of the Construction Ministry said that it is an "urgent and arduous" task to enable every urban resident to have a living space of eight sq m [square meters] by the year 2000.

He said that faster housing reform is an "inevitable measure" to fulfill that task.

Higher rents are considered the first step in the housing reform. Over the past four decades the Chinese Government has spent 300 billion yuan (about 51.7 billion U.S. dollars) building apartments in urban areas, 20 percent of the total investment in fixed assets during that period.

However, rents were nominal, not enough to cover maintenance costs, let alone recover construction costs.

Now, rents have been raised nationwide. Rents per sq m have been raised from 0.1 yuan (about two U.S. cents) to a range of 0.3 to 0.5 yuan from area to area.

According to a government source, rents will continue to rise to a level high enough to cover both construction and maintenance costs in 1995.

The establishment of housing funds—involving long-term voluntary savings deposits—is a reform measure initiated by the Shanghai Municipal Government in 1991. To date, such funds have been set up in 120 other cities.

Where such a fund is established a worker pays five percent of his wages and his employer pays an extra five percent into the fund every month. The worker can only use the accumulated money to buy an apartment, build his own house or repair his apartment.

If the worker has not used the money, he will get it back plus interests when he retires.

It is estimated that Shanghai will be able to raise 700 million yuan for apartment building a year through the establishment of such funds.

Economists in Beijing agreed that the sale of government-built apartments to individuals is a "fundamental way" to recover construction costs to finance new housing projects.

Tianjin, a leading manufacturing center in north China, sold such apartments with a total floor space of 800,000 sq m to individuals in 1992.

By the end of July 1993 Beijing had sold 120,000 such apartments, seven percent of the total built. It had recovered 2.4 billion yuan from the sales of such apartments and increased rents.

An official of the Housing Reform Office of the State Council, China's cabinet, said that the sale will speed up the construction of apartment buildings in cities and reduce the government's financial burdens as well.

Economists said that housing commercializing is a major target of China's housing reform.

To this end, apartments at different prices and with different rents will be available for residents with different incomes.

High-income people should buy or rent apartments at market prices. The government should build apartments and sell or let them to low-income people at prices lower than market prices.

The governments of Beijing, Shanghai and other big cities have drawn up plans to construct more low-priced apartment buildings. The Beijing Municipal Government has raised money for the construction of apartments totalling 100,000 sq m for families with per capita living space of less than three sq m.

The official of the Housing Reform Office said that the housing reform in the future will focus on the sale of apartments and raising rents.

Over the past few years China has completed apartments for sale with 100 million sq m in floor space every year, he said.

Alleviation of Overcrowding Planned

OW0112083793 Beijing XINHUA in English 0814 GMT 1 Dec 93

[By Li Zhurun]

[Text] Beijing, December 1 (XINHUA)—China will launch a three-year housing construction drive to help millions of families who live in destitute, overcrowded buildings, XINHUA learned today.

The "State 1994-1996 'Living in Contentment' Project" is a strategic step aimed at enabling urban residents to become, by the year 2000, "well-to-do" in housing.

Details are not immediately available, as finishing touches are still being made on a draft plan for the project. But officials say that the project will be focused on building "good standard" housing with prices affordable to most wage earners.

Since 1979, China has invested 411 billion yuan in building urban housing totaling 1.74 billion square meters. Living space now averages 7.2 square meters for each urban resident, up from 3.2 square meters 15 years ago.

Despite this building spree 5.5 million families are still "overcrowded"—their living space averaging less than six square meters per person.

"Such families are increasing in numbers along with population growth," Construction Minister Hou Jie said. "By 2000, eight million 'overcrowded families' should have improved living conditions."

Meanwhile, the minister said, the average living space for the entire urban population should have risen to more than eight square meters.

To meet both targets, 150-180 million square meters of housing needs to be built every year from now until the year 2000. "the state alone cannot complete this gigantic task," the minister added.

The "Living in Contentment Project" is part of the overall housing reforms focused on the sale of public-sector housing to individual wage earners.

That means, said Hou, "overcrowded families" wishing for more living space will have to bear the cost, together with the state and their companies.

To ensure housing for the most needy, there will be different policies for families of different incomes. Families classified as wealthy will have to buy housing at market prices, which fluctuate according to market supply and demand.

"Wealthy families"—private business persons, pop singers, TV and film stars—are few relative to wage earners. To the majority, housing will be sold at what is called "low-profit prices" and "standard prices."

"Low-profit prices" are fixed after deductions of the cost of the construction space, the profits from real estate development and the cost of building the urban infrastructure—road, sewage and power supply systems.

The "standard prices" cover the cost of building the apartments. The part the individual buyer pays amounts to three times the annual wages of both the husband and wife in an average family in a given region or city.

Intellectual Organizations Undergo Leadership Changes

HK3011131993 Hong Kong MING PAO in Chinese 30 Nov 93 p 11

[By special reporter Ching Chi (5427 2765): "Four Vice Presidents Have Been Removed From Office in a Leadership Reshuffle at the Chinese Academy of Social Sciences"]

[Text] According to the latest news, the Chinese Academy of Social Sciences is carrying out a large-scale leadership adjustment. At present, the academy's leadership-level adjustment has basically ended and the institutes' leadership-level adjustment is still under way.

Days ago the State Council issued appointment and dismissal notices indicating the removal of four vice presidents—Liu Guoguang, Qu Weizhen, Qian Zhongshu, and Jiang Liu—from office. But when the appointments and dismissals were announced, Hu Sheng, president of the academy, presented letters of employment to two of them, hiring them as advisers to the academy. One is the famous writer, Qian Zhongshu, and the other is the famous economist, Liu Guoguang.

Hu Sheng is still president of the academy, but the people working with him have kept on changing since early this year. In February this year, Wang Renzhi, a former director of the Propaganda Department, was transferred to the academy and appointed secretary of the academy's party committee and vice president of the academy. Subsequently, Liu Ji, a former director of the Shanghai Municipal Structural Reform Office, was transferred to Beijing and appointed vice president of the academy. Several months ago, Teng Teng, a former deputy director of the Propaganda Department, was transferred to the academy and appointed deputy secretary of the academy's party committee and vice president of the academy to take charge of several institutes engaged in the study of international issues.

Recently Wang Luolin, a person in charge of Xiamen University, was transferred to the academy and appointed its vice president in charge of economic research. As is known, Wang Luolin's father was Wang Yanan, who introduced Marx' *Das Kapital* to China.

Run Xin, vice president of the academy, remains at the same post—an old face in the academy leadership. Another one is Long Yongshu, deputy secretary of the academy's party committee and vice president of the academy, who is neither an old timer nor a new comer. He was formerly secretary general of the academy in charge of administrative and logistics work. This time he has been promoted to the academy leadership level, and is still in charge of administration, of course.

The institute-level leadership adjustment is still under way. As reported, the adjustment scale is quite large and it will last for several months. Some institute leaders will retire because of advanced age and some young people will have an opportunity to enter institute leadership posts. The deputy directors of the Institute of Society and the Institute of Population have taken up their posts. They are young people in their thirties. The learned young economist Fan Gang will be appointed to a leadership post in the Economics Institute.

In addition, post vacancies in some research institutes, including the director of the Literature Institute, will be filled during the current work adjustment. As reported, after Liu Zaifu, a former director of the Literature Institute, left Beijing after the 4 June incident, someone was appointed director of the institute but died of cancer three months after assuming the post. Since then, the post of director of the Literature Institute has remained vacant.

Government-Paid Overseas Trips Curbed Nationwide

OW3011130793 Beijing XINHUA Domestic Service in Chinese 0406 GMT 22 Nov 93

[Text] Beijing, 22 Nov (XINHUA)—Some departments and localities have earnestly implemented the "Decision on Tackling Several Near-Term Tasks in the Anticorruption Struggle" of the party Central Committee and the State Council. They have moved expeditiously to screen groups that travel abroad at government expense, taking strong measures against a number of groups that make government-paid overseas (out-of-country) trips through covert means. These actions have restrained this unhealthy practice.

According to information gathered by reporters from the State Council Office for Checking Unhealthy Tendencies in Business Activities, the Ministry of Agriculture in April conducted a piecemeal review of groups sent on overseas (out-of-country) trips by agricultural departments, as part of its earnest efforts to implement relevant State Council guidelines. After the Second Plenary Session of the Central Discipline Inspection Commission, it extensively screened groups sent by its subordinate organs and units on overseas (out-of-country) tours. These two rounds of screening have resulted in the elimination of 29 overseas (out-of-country) tour groups comprising 600 people. The Ministry of Machine-Building Industry has canceled 60 out-of-country training missions involving some 1,400 people. The

Ministry of Construction has dismantled 11 overseas (out-of-country) groups composed of 149 people. The Ministry of Justice has decided to suspend class No. 10 that it originally planned to send on an observation trip to Hong Kong and Singapore to study the "theory and practice of socialist market economics." The China Science and Technology Association has reviewed 37 groups sent or to be sent overseas from September through December, and it has abolished five of them. The Ministry of Labor has canceled nine groups involving some 90 people that it planned to send abroad. The People's Insurance Company of China has abolished three observation groups composed of trade union and administrative division directors to Hong Kong and Macao. The Ministry of Electronics Industry has forestalled efforts to send 23 people to Southeast Asia to study financial matters. The State Council's Bureau of Government Office Administration has canceled three groups scheduled to be sent to Hong Kong, Singapore, and the United States on training missions in the near future. The State Bureau of Foreign Experts Affairs, after reviewing this year's overseas (out-of-country) training missions, has decided to halt or postpone 102 missions involving 2,487 people. According to statistics compiled by the Ministries of Finance, Labor, Foreign Trade and Economic Cooperation, Posts and Telecommunications, Water Resources, and Radio, Cinema, and Television; the State Education Commission; and 14 other departments, 164 overseas (out-of-country) tour groups totaling some 3,150 people have been canceled.

Meanwhile, all localities have taken steps to cancel a number of government-paid overseas (out-of-country) tour groups. Since April, Jiangsu Province has canceled or suspended 140 overseas (out-of-country) tours made at government expense through covert means or nonessential trips totaling 1,632 people. Zhejiang Province has specifically investigated overseas (out-of-country) trips made at government expense through covert means, canceling 26 groups comprising 884 people. According to statistics compiled by Tianjin, Inner Mongolia, Heilongjiang, Fujian, Guangdong, Hainan, Guizhou, Hubei, and three other provinces, municipalities, and autonomous regions, 551 overseas (out-of-country) tour groups involving 4,405 people have been canceled or suspended.

In accordance with the guidelines of the circular issued by the party Central Committee and the State Council, most departments and localities are currently sorting out government-paid overseas (out-of-country) tours made since 1 July 1992. They are intensely investigating and dealing with violations of discipline, especially breaches of discipline that ignore or go against official bans. The Ministry of Railways has seriously investigated and dealt with the Liuzhou Railway Bureau, which sent eight delegations composed of 141 people abroad at government expense from April 1992 through August 1993. A circular has been issued in this regard. Jiangsu Province has openly dealt with the mining administrative division under the provincial geology and mineral resources bureau and the Nantong City Agricultural and Industrial

Department for making government-paid overseas (out-of-country) trips in violation of discipline. According to Jiangsu, Zhejiang, Hebei, Shanghai, and Tianjin, the numbers of people making overseas (out-of-country) trips at government expense have recently declined by a large number. Nonetheless, the task of stopping this unhealthy practice nationwide remains fairly onerous.

Anniversary of Mao Zedong's Birth Commemorated

CPCCC Publishes Pictorial

OW2911161393 Beijing XINHUA Domestic Service in Chinese 2111 GMT 30 Oct 93

[Text] Beijing, 31 Oct (XINHUA)— A small pictorial entitled *Mao Zedong* was recently put on sale to revive Mao Zedong's magnificent image and to recapture his immortal contributions in commemoration of his birth centennial. The pictorial was jointly edited and published by the Mao Zedong Research Group under the CPC Central Committee's Party Literature Research Center and the Xinhua Publishing House.

Packed with both pictorial and textual material, the pictorial is a great source of enjoyment. In the section devoted to Mao Zedong's mannerisms and life, the pictorial features more than 120 rare photographs taken in various historical periods. Many of the photographs were Mao Zedong's favorites, and some are released for the first time. The section devoted to Mao Zedong's handwritten poems features 30 poems handwritten and composed by Mao Zedong. Two of the poems are released for the first time with the approval of the CPC Central Committee's Party Literature Research Center. The calligraphic script of 14 poems is also a first-time release. The text of the pictorial—including the preface, the brief account of Mao Zedong's photographs taken during his lifetime, and the chronology of the major events in his life—offers a concise and yet fairly comprehensive account of Mao Zedong's lifetime achievements. The pictorial, which at once serves as an ideological piece, biography, and artwork, is an important collector's item.

Guangxi Academy Holds Seminar

HK2611130093 Nanning Guangxi People's Radio Network in Mandarin 1130 GMT 21 Nov 93

[Text] The Guangxi Academy of Social Sciences held a seminar to mark the 100th birth anniversary of Comrade Mao Zedong on 20 November. Ding Tingmo, deputy secretary of the regional CPC committee, attended the seminar.

At the seminar, the participants recalled Mao Zedong's great feats, expressed admiration for Mao Zedong's revolutionary character, looked back on Mao Zedong's theoretical contributions, and, in light of the inspiration they had drawn from studying Volume 3 of the *Selected*

Works of Deng Xiaoping, spoke freely about their understanding of the theory of building socialism with Chinese characteristics.

They said: Celebrating Comrade Mao Zedong's 100th birth anniversary is a way to carry forward and better develop Mao Zedong Thought. Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics is a creative application and development of Mao Zedong Thought. Conscientiously studying Volume 3 of the *Selected Works of Deng Xiaoping* will be the best gesture in memory of Comrade Mao Zedong.

Deputy Secretary Ding Tingmo spoke at the meeting.

He pointed out: Mao Zedong Thought is a scientific theoretical system. We should understand and grasp it accurately and completely.

He pointed out: The fundamental feature and quintessence of Mao Zedong Thought is seeking truth from facts. Therefore, in studying and researching Mao Zedong Thought, it is necessary to focus on the new development of Mao Zedong Thought achieved by Chinese communists, represented by Comrade Deng Xiaoping, since the Third Plenary Session of the 11th CPC Central Committee and on Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics. Studying Volume 3 well is the best gesture in memory of Comrade Mao Zedong.

Deputy Secretary Ding Tingmo finally encouraged the comrades in the social science circles to set an example in studying Deng Xiaoping's works and activate the study campaign in the whole region.

Persons in charge of the propaganda department of the regional CPC committee, the regional party school, Guangxi People's Radio Network, the regional press and publication bureau, and the regional federation of literary and art circles also attended the seminar.

Beijing Art Circles Hold Gathering

OW2711133293 Beijing XINHUA in English 1252
GMT 27 Nov 93

[Text] Beijing, November 20 (XINHUA)—Celebrities in Beijing's artistic circles today gathered at the Lao She Teahouse here to present programs to mark the 100th birth anniversary of the late Chairman Mao Zedong.

In the west hall of the teahouse more than 30 leading artists sang 30 poems by Mao in traditional folk art forms including Beijing opera, Ping opera and drum opera.

In the east hall painters such as Ouyang Zhongshi and Wang Yixin copied passages from Mao's writings in calligraphic styles.

The program was sponsored by the Beijing Municipal Committee of the Chinese People's Political Consultative Conference and the Beijing Federation of Literary and Art Circles.

Qinghai Organizes Film Festival

HK2911091793 Xining Qinghai People's Radio Network in Mandarin 2300 GMT 23 Nov 93

[Text] At the People's Theater yesterday morning [23 November], the Qinghai Provincial Propaganda Department, the provincial office of culture, the working committee of organizations directly under the provincial authorities, the provincial federation of workers' trade unions, the provincial committee of the Communist Youth League, and the provincial women's federation jointly held the ceremonial premier of a film festival to mark the centenary of Mao Zedong's birth. The festival is one of the province's important activities in marking the centenary of Mao Zedong's birth.

Around the centenary of Mao's birth, all places across the province are to run a series of newly completed feature films reflecting important historical themes—including the Autumn Harvest Uprising, Jinggangshan, and the Chongqing Negotiations—in addition to some new copies of films on revolutionary themes. Through these films, the broad masses will commemorate the great, meritorious feats of the revolutionaries of the older generation, including Mao Zedong, so as to urge the people to quicken the pace in reform, opening up, and economic construction under the guidance of Deng Xiaoping's theory of building socialism with Chinese characteristics in order to make the motherland still more beautiful.

'News in Brief' on Activities

OW0112100893 Beijing XINHUA in English 0840
GMT 1 Dec 93

["News in Brief in Commemoration of Mao Zedong"—XINHUA headline]

[Text] Changsha, December 1 (XINHUA)—Today's news in brief in commemoration of the 100th anniversary of the birth of late Chairman Mao Zedong:

Radio Play

A 50-episode radio play series entitled "Mao Zedong's Story" began broadcasting in today in Hunan Province, Mao Zedong's homeland.

The radio play was recorded by the Hunan People's Broadcasting Station after one year's work.

It will be broadcast by more than 40 stations in the country as one of the important programs to mark the 100th anniversary of Mao Zedong's birthday.

Embroidered Portraits

A dozen large embroidered portraits of Mao Zedong recently were on show in Changsha, capital of Hunan Province.

The portraits were embroidered in the past four decades and the largest one is 2 meters in length and 1.2 meters in width.

The embroidered portraits will be also shown in the Shaoshan Chairman Mao Memorial Hall.

Dictionary About Mao Zedong

Shanxi People's Publishing House recently published the *Dictionary of Mao Zedong's Selected Works*.

The dictionary contains background on essays in the Selected Works, explanations of terms, introductions to important figures, important events, meetings, and indexes to Mao Zedong's works and to the essays on the study of Mao Zedong's works.

Hunan Activities Commemorate Liu Shaoqi, Mao Zedong

HK2311010393

[Editorial Report] Changsha Hunan People's Radio Network in Mandarin, in its 2300 GMT newscast on 21 November, broadcasts as the first and second items a three-minute report on a forum marking the 95th anniversary of the birth of former PRC President Liu Shaoqi and a two-minute report on a symposium on Mao Zedong's contributions to Marxism.

The forum to commemorate the "great proletarian revolutionary" Liu Shaoqi was held in Ningxiang County on 21 November by the Changsha city party committee. The 95th anniversary of Liu's birth falls on 24 November. Attending the forum were Wang Guangmei, member of the Standing Committee of the Chinese People's Political Consultative Conference—CPPCC—and widow of the late president, as well as provincial leaders, including Liu Zheng, chairman of the provincial committee of the CPPCC. The participants eulogized Liu's feats, and Wang Guangmei also delivered a speech. Following the forum, the participants visited Liu's former residence and a museum commemorating the late president.

The academic symposium on Mao Zedong's contributions to Marxism opened in Changsha on 21 November. It was sponsored jointly by the China Academy of Social Sciences and the Hunan Provincial Academy of Social Sciences. Hu Sheng, vice chairman of the CPPCC and concurrently president of the Chinese Academy of Social Sciences, attended and delivered a lengthy academic report.

Hong Kong Paper Details Shanghai Tram Explosion

HK3011055093 Hong Kong MING PAO in Chinese 30 Nov 93 p A13

[Report: "First Tram Explosion Accident Occurred in Shanghai, Killing The Saboteur and Injuring Several Passengers"]

[Text] An explosion occurred on a tram on Nanjing Road in downtown Shanghai on the afternoon of 28 November. This was the first incident of its kind in Shanghai since 1949. Preliminary investigations indicated that the explosion was set off by a man who was

not from Shanghai. The man was killed immediately, and a few passengers and pedestrians were injured, three of whom are in serious condition. The man's motive for setting off the explosion and the kind of explosives he used are still not known. The Shanghai municipality authorities are conducting further investigations into the case.

It has been reported that the explosion took place at 1650 the day before yesterday. When a tram on route 20 arrived at the junction of Nanjing Road and Liuhe Road, an explosion occurred all of a sudden at the joint of the tram and its trailer. The tram conductor immediately opened the tram doors to evacuate the passengers.

The police rushed to the scene to rescue the casualties and maintain order. Through investigation and information gathered from the passengers on board, it has been preliminarily confirmed that the explosion was a premeditated event caused by a non-Shanghai resident. He was killed by the explosion immediately, and some passengers were injured, three of whom were in serious condition.

A few pedestrians were also hit by debris from the explosive. Among the injured pedestrians was a four-member family on their way to a wedding party in Nanjing Road and a couple who had come from Anhui to go shopping. Traffic at the scene was interrupted until dusk.

After the explosion, the officials in charge of the Shanghai Municipal Government and party committee and other departments concerned rushed to the scene to supervise the rescue operation and visited the injured at the hospital.

It is said that there are 2.5 million non-local migrant workers in Shanghai, which is suffering from a labor shortage, who primarily perform heavy manual labor. As quite a number of these migrant workers do not have job, some have become lawless elements and constitute a threat against local public security. A survey by the authorities shows that most of the criminal cases that have occurred in Shanghai were perpetrated by migrant workers.

Earlier, the Shanghai municipality government called on all provinces and cities to control the tide of migrant workers. In this connection, migrant workers from outside Shanghai are required to acquire identity documents issued by their respective local authorities before coming to Shanghai. Also, the Shanghai municipal authorities have taken action to repatriate those people who loiter around the railway station for no justified reason back to their places of origin.

Science & Technology

Operations of Daya Bay Nuclear Plant Reported

Generator Fuel Loaded

OW2611114793 Beijing XINHUA in English 1113 GMT 26 Nov 93

[Text] Shenzhen, November 26 (XINHUA)—The Daya Bay nuclear power plant near Shenzhen in south China's

Guangdong Province has finished loading fuel for its second set of generators, plant officials said here today.

The loading of the 157 fuel assemblies started on November 23, following the installation of the second generating set last March.

The officials said that a number of tests will be conducted before going on to the critical tests.

The first generating set of the plant was put into trial run on August 31. Commercial operation is expected to start by the end of the year.

Generator Begins Trial Operation

OW2811102193 Beijing XINHUA in English 0929
GMT 28 Nov 93

[Text] Beijing, November 28 (XINHUA)—The No. 1 generator unit at the Daya Bay nuclear power plant is now in full-capacity trial operation, the Shenzhen-based Guangdong nuclear power joint venture company said in a release reaching XINHUA.

The news was also announced in Beijing by the China National Nuclear Corporation (CNNC), which supervises over the construction of the power plant near the Shenzhen Special Economic Zone and Hong Kong.

After trial operations at 15, 30, 50, 75, 87 and 97 percent of its designed capacity of 900,000 kilowatts since August 31, the unit attained full-capacity at 22:36 hours (Beijing time) Saturday, November 27.

The trial operation, conducted under the supervision of the State Nuclear Safety Bureau, has been a success and met all technical and safety norms in all stages, it was announced.

"We strictly abide by the standards of the International Atomic Energy Agency in designing and building the power plant, and the plant's safety is guaranteed," a spokesman for the CNNC told XINHUA.

The No. 1 generating unit will start commercial production with license issued by the State Nuclear Safety Bureau, after every planned test proves a success during a period of trial operation at full capacity, the spokesman said.

Construction of the plant's No. 2 generating unit, also of 900,000 kilowatts, is to be completed in mid-1994, he added.

Li Peng Sends Congratulations

HK0112034293 Beijing XINHUA Domestic Service in Chinese 1630 GMT 28 Nov 93

[By reporter Li Nanling (2621 0589 3781): "Li Peng Sends Message Congratulating the First Full-Capacity Operation of the No. 1 Generating Unit at the Daya Bay Nuclear Power Plant"]

[Text] Shenzhen, 28 Nov (XINHUA)—Guangdong Daya Bay Nuclear Power Plant's No. 1 nuclear power

generating unit has begun operating at full capacity, and Premier Li Peng sent a congratulatory message today.

The message said: It is gratifying to learn that Guangdong Daya Bay Nuclear Power Plant's No. 1 generating unit has reached its full capacity of 900,000 kilowatts in a trial operation. This is the result of long efforts by Chinese and foreign nuclear power engineers and signifies a new stage in China's nuclear power undertaking. For this reason I am expressing my cordial congratulations to everyone involved, and I hope that you will continue to work hard and make new contributions to satisfactorily accomplish all the trial operation work.

Since 31 August, after Guangdong Daya Bay Nuclear Power Plant's No. 1 generating unit was ready to generate nuclear power, was connected to the grid, and began experimental power generation, the unit has gone through various adjustments and tests which were conducted at less-than-full-capacity levels. At every stage, the functioning of the generating unit met the demands of the design, and, at 22:36 on 27 November, the generating unit operated at full power for the first time.

The No. 1 generating unit will continue to carry out various tests and demonstration operations at full power, after which it will begin commercial operation.

Nuclear Fusion 'Experimental Loop' Successful

OW2611092293 Beijing XINHUA in English 0849
GMT 26 Nov 93

[Text] Chengdu, November 26 (XINHUA)—China's liquid metal experimental loop, needed for research on nuclear fusion, has proved up to world-advanced standards after more than a year of operation.

The loop, an infrastructure facility for research of magneto-hydrodynamic pressure drop, was built in 1992 by the Southwest China Physics Institute.

Having operated for more than a year, the device has proved to reach the designed requirements.

China is only the fourth country in the world to have built such a device. The others are the United States, Germany and Japan.

The loop's initial experimental results, which were presented at the sixth international conference on fission materials held in Italy in September, were said to be well in line with those of similar devices in other countries.

Wen Jiabao on Development of Basic Sciences

OW2711133893 Beijing XINHUA in English 1257
GMT 27 Nov 93

[Text] Beijing, November 27 (XINHUA)—Wen Jiabao, an alternate member of the Political Bureau and member of the Secretariat of the Central Committee of the Communist Party of China, today called for more attention to be paid to the country's development of basic sciences.

At a forum held with 40 winners of the young scientist prize of the Chinese Academy of Sciences, Wen noted that progress in science and technology "is of key importance for China's campaign to build a socialist market economy" and should have closer attention paid to it.

He stated that economic development should not only be based on the contemporary achievements in science and technology but also promote domestic scientific and technical modernization.

Over the past four decades or so, he said, the country has made remarkable advances in the field of science and technology, especially in research into basic sciences, ranging from synthetic crystalline bovine insulin to the superconduction technique in relative high temperatures.

According to Wen, the central government will increase investment to speed up China's development of basic sciences, which is "crucial to the future of the nation."

Furthermore, state and local governments will improve the working and living conditions for researchers in basic sciences, he added.

Wen also called for more co-operation and exchanges among different scientific institutions and branches of learning.

Also attending today's forum were Song Jian, State Councillor and minister in charge of the State Science and Technology Commission, and Zhou Guangzhao, president of the Chinese Academy of Sciences.

Science Foundation Offers Government Subsidies

*OW2511024193 Beijing XINHUA in English 0135
GMT 25 Nov 93*

[Text] Beijing, November 25 (XINHUA)—The China National Natural Science Foundation (NNSF) recently invited applications for government subsidies for scientific projects in the year 1994.

The government-run foundation announced that it will receive applications from January 1 through March 15, 1994. The year's applications will be divided into seven categories, including high-tech projects, new medicine and pesticides.

The foundation will sponsor 30 outstanding young scientists. It will also fund Chinese students studying abroad to return for short-term work and lecturing.

The Ministry of Finance will allocate 1.5 billion yuan for natural science research during the Eighth Five-Year Plan period (1991-95), according to the foundation.

The foundation's funding is open to both individuals and institutes.

Shanghai Uses Science To Boost High-Tech Industry

*OW3011080493 Beijing XINHUA in English 0718
GMT 30 Nov 93*

[Text] Shanghai, November 30 (XINHUA)—Shanghai, China's largest economic center, is relying on science to boost high-tech, low-cost and pollution-free industries.

Shanghai, which has contributed greatly to China's industrial development, has shifted its focus from the traditional light and textile industries to modern telecommunications, cars, electronics, computers, bioengineering, petrochemicals, nuclear power plant equipment and digital-control machine tools to catch up with the world's new-technology revolution.

So far, the annual output value of some of these industries amounts to five billion yuan each and in some cases even reaches 10 billion yuan.

It is estimated that their annual output value will surpass 30 billion yuan each by the year 2000.

To promote the development of these burgeoning industries the municipal government encourages research institutions to sell research findings to large and medium-sized enterprises while helping them to apply the findings to production.

A survey report shows that more than 300 universities, colleges and research institutes have established technical cooperative relations with 1,000 industrial enterprises over the past five years.

Organized by the municipal government, over 100 technical consultancy groups are ready to help enterprises to tackle key technical problems, and more than 100,000 scientific workers have gone to work in industrial enterprises.

One example is the Shanghai-Santana cars, of which the sales volume will top 20 billion yuan-worth this year, doubling last year's figure.

The cars are manufactured by the Shanghai-Volkswagen automotive company, a Sino-German joint venture, which is able to produce 80 percent of the components in Chinese factories through a five-year effort in cooperation with Chinese researchers.

The past three years have seen the city import 44 key research findings for manufacturing modern power station equipment.

So far, foreign business people have ordered three sets of 300,000-kw nuclear power station equipment worth more than four billion yuan.

Shanghai's telecommunications industry, which was in the red four years ago, has developed into a pillar industry thanks to promoting cooperation with research institutions, and importing advanced technology and equipment.

Its annual output value—with advanced program-control telephone exchanges, optical fiber communication cables and other high-tech products as the mainstays—rose from 1.4 billion yuan in 1991 to 3.4 billion last year, and is expected to climb to six billion yuan this year and 10.2 billion yuan by the end of the eighth five-year-plan period (1991-1995).

With the encouragement of the municipal government, 15 machine tool plants are joining hands with noted foreign firms to develop high-tech products, and 20 others are co-operating with research institutions to produce new types of digital-control machine tools.

According to statistics, Shanghai has developed 34 series of digital-control machine tools with a combination of machinery, power, gasoline and computers. These machine tools are characterized by high efficiency with low production costs. They sell well both at home and abroad.

Beijing Becomes Center for Technology Distribution

OW2911061793 Beijing XINHUA in English 0546
GMT 29 Nov 93

[Text] Beijing, November 29 (XINHUA)—Beijing has become the largest technology trading center in China, distributing a large number of items of technology to enterprises around the country.

According to statistics, the total value of technology contracts signed here in the first ten months of this year stood at 2.77 billion yuan (about 460 million U.S. dollars), a quarter of the country's total.

As the capital of the country, Beijing boasts strong scientific and technological advantages. The technology market has kept growing since it was established 12 years ago. The business volume reached 3.1 billion yuan (more than 500 million U.S. dollars)-worth last year.

This year the technical market has made new progress.

High and new technology accounts for a large part of the trading. Some large research institutes have put their research achievements on sale to earn quick returns, some of which are of the internationally advanced level in the fields of software development, machine tools, and so on.

Enterprises play a double role in technology trade—both as sellers and buyers. They improve their competitiveness in the market by using new- and high-technologies in production. Meanwhile, they also transfer their own technology to other firms.

In the past two years industrial firms in Beijing have bought 7,324 items of technology from the market, while 1,980 items of technology were transferred.

The technology market in Beijing also plays a role in spreading technology to other areas in China. In recent years some technology exchange organizations have held

a variety of activities to promote technology transfer, such as exhibitions, and joint-development or long-term cooperation programs.

Last year more than half of the total technical trade in Beijing was done with other provinces, municipalities and autonomous regions.

At the same time, Beijing's technological commodities have squeezed into the international market. A number of items of technology have been exported to the United States, France, Russia, Australia, Singapore, Indonesia and Thailand, bringing in an income of 42 million U.S. dollars.

Computer Emulation Modeling System Developed

OW2211075593 Beijing XINHUA in English 0728
GMT 22 Nov 93

[Text] Changsha, November 22 (XINHUA)—A high-performance computer emulation modelling software system for universal use was developed recently by scientists with the China National Defense Science and Technology University.

According to scientists with the university, which is located in Changsha, capital of central China's Hunan Province, the new system can be widely applied to general-purpose scientific calculations and systematic emulation.

It can also help researchers carry out scientific experiments on computers.

Experts in the group which has been appraising this development believe that the new system has good functions and is easy to handle. It is even superior in some functions to internationally-known advanced emulation modelling systems developed by other countries.

The development of the system is of great importance to China's modernization of its national defense industry and for national economic construction, the experts said.

Chinese Character Computer Scanner Developed

OW2711100393 Beijing XINHUA in English 0832
GMT 27 Nov 93

[Text] Beijing, November 27 (XINHUA)—Chinese scientists have developed a computer system for automatically recognizing and inputting Chinese characters by scanning.

It is said to be the most advanced system of its kind so far in the world, according to a report by the "PEOPLE'S DAILY" [RENMIN RIBAO] today.

The automatic character recognition system has the function of converting an image file, usually obtained through a scanner, into a text file, which enables the users to edit, merge or print the file according to their own needs.

A number of computer companies have developed such systems, but the most difficult part they found was to reduce the wrongly recognized characters, especially for recognizing handwritten sentences.

The integrated-type system can distinguish printed Chinese characters and input them into computers by screening. It can screen and input a book with 400,000 Chinese characters within a work day, the paper reported.

Besides, the misprint rate is less than 1 per thousand, which is a mere 5 percent to 1 percent of that of the previous equipment of the kind. The new system practically makes proofreading unnecessary, according to the report.

The system was developed jointly by the State Intelligent Computer Development Center, Beijing Information Project Institute, Shenyang Automization Institute and Qinghua University.

On the basis of this system, these units have also started to develop a new system that will be capable of distinguishing and inputting hand-written Chinese characters through scanning, the paper said.

Military

Column Views Military Support for Jiang Zemin

HK2911140593 Hong Kong HSIN PAO in Chinese
26 Nov 93 p 37

["Beijing Political Situation" column by Jen Hui-wen (0117 1979 2429) written on 24 November 1993: "The CPC Wants To Keep Jiang's Position as Nucleus Beyond This Century"]

[Text] Since the CPC authorities launched the financial retrenchment on the mainland this July, stories have begun to appear in newspapers outside China that there would be high-level personnel reshuffles at the Third Plenary Session of the 14th CPC Central Committee which were scheduled to be implemented within this year. As it turned out, there were no such reshuffles at the plenary session, which was held in mid-November. In fact, according to sources in Beijing, at the final stage of the session, led by PLA delegates, delegates from the armed police, public security, and some provinces and cities voiced their firm support for Deng Xiaoping's theory, the resolutions of the Third Plenary Session, the party Central Committee and State Council's line, principles, and policies, and their close identification with the party Central Committee with Comrade Jiang Zemin as the core in moving into the 21st century along the party line. This shows that the Jiang Zemin core in the CPC's decisionmaking level could enjoy 10 to eight years of stability instead of only five.

The Military Leads Support for Jiang Zemin Nucleus

Sources said the military first revealed its position on the eve of the Third Plenary Session. On 2 November the CPC Central Committee held a meeting to report on

Volume 3 of *Selected Works of Deng Xiaoping*. After this, Deng Xiaoping met with persons in charge of the Central Military Commission [CMC], the armed services, and the military regions, during which the military stated their position in front of Deng. At the Third Plenary Session, the military chose Zhang Wennian, PLA general chief of staff and a member of the CMC, to present the positions of the three forces, the main points of which were: 1) The PLA will firmly carry out Deng Xiaoping's line on army building, accept the modernization of military equipment and make it as sophisticated as the center tasks, and vigorously improve commanders' and soldiers' knowledge of modern warfare and military technology. 2) The PLA resolutely defends Deng Xiaoping's theory of socialism with Chinese characteristics. 3) The PLA is a people's army directed and commanded by the party leadership. It vows to follow the leadership and command of the Central Committee and the CMC with Jiang Zemin as the core. 4) The PLA will closely follow the Central Committee with Jiang Zemin as the core in leading the whole party, the whole Army, and the country marching into the 21st century. 5) The PLA will unswervingly defend the socialist system, safeguard China's independent sovereignty, will smash and thwart without fail hegemony and the intervention and subversion of power politics, and foil all sabotage by hostile forces.

Such vows of allegiance in the style of the Cultural Revolution were supported by the regional authorities. Delegates from Beijing, Shanghai, Shandong, Sichuan, Liaoning, and other provinces and cities, and Xie Fei, secretary of the Guangdong Provincial CPC Committee, who was representing Hainan, Hunan, Hubei, and Guangxi, also stated their positions, which were similar to the military's.

Moreover, Wan Li, former chairman of the National People's Congress; Yang Shangkun, former state president; Bo Yibo, former vice chairman of the Central Advisory Commission; and General Yang Dezhi, a veteran, made similar statements in meetings with retired veteran cadres after the Third Plenary Session. A "circular" from the CPC Central Committee General Office on 16 November reported that Wan Li had stressed in his speech that Deng Xiaoping's theory is the theoretical foundation and guidance for the ideology of the whole party and Army, that the Third Plenary Session "Decisions" (the "50 articles") were an action program for building a socialist market economic system, and that Deng Xiaoping's strategic arrangements for stabilizing the highest leadership levels are for the party Central Committee to center around Jiang Zemin in leading the whole party and Army marching into the 21st century. Wan Li hoped that veteran cadres and the whole party would appreciate the profound significance of Deng Xiaoping's decisions.

The source continued that Deng Xiaoping had taken great pains to ensure that somebody should take over the socialism with Chinese characteristics initiated by him, which is why he made Jiang Zemin the core of the CPC's

third-generation leadership and why he had recently expressed his hope for this nucleus to enjoy a considerable period of stability and to lead the whole party marching into the 21st century.

Considerable Thought and Good Intentions Behind Deng's Promotion of Jiang Zemin

For Deng Xiaoping, "in a certain sense, the key determining whether or not China can stick to socialism and reform and opening up, speed up economic development, and sustain law and order and stability lies in individuals." After his third comeback in 1970, Deng Xiaoping felt keenly that he could not count on his own generation to solve the problem of sustaining long-term law and order and stability: he had to look to the third generation. At first, he entrusted Hu Yaobang and Zhao Ziyang. However, as he himself put it, "neither of them solved the problems and both failed, and, moreover, not in economic problems but with regard to opposing bourgeois liberalization. On this I could not budge." Taking the lesson of Hu to heart, Deng naturally wanted a man with a clear-cut stand against bourgeois liberalization when searching for a successor. He found Jiang Zemin, the person who had promptly banned SHIJIE JINGJI DAOBAO [World Economic Tribune] in Shanghai during the 1989 disturbances; and at the Fourth Plenary Session of the 13th CPC Central Committee, which was held in late June, right after June 4, Jiang Zemin was elected CPC general secretary and became the core of the leadership of the third generation.

Despite grievances within the CPC's high-ranking leadership against Jiang Zemin, a "dark horse" who rose three grades in one promotion, Deng Xiaoping had made up his mind to groom Jiang Zemin. He summoned Yao Yilin and Li Peng, then members of the CPC Central Committee Political Bureau Standing Committee, and advised them not to "remain unconvinced and not to initiate factions." Having observed Jiang for some five months, Deng Xiaoping made another dramatic move: He handed over the last of his job titles, chairman of the CPC Central Military Commission, to Jiang Zemin.

Deng Xiaoping's explanation of this move was: "The party must control the Army. Because the Army must be led by the party. The Army is the party's army, and of course, the country's army. The Army should be an army under party leadership. There must not be small factions or cliques within the Army. Power cannot be concentrated in the hands of a few. The Army must obey central commands at all times. I propose that Jiang Zemin become the chairman of the military commission. His past connections with the Army are not too strong, though not entirely nonexistent. It would be smoother for him to be chairman." Deng Xiaoping meant by "smoother" that it was only natural for Jiang Zemin to act as military commission chairman because, to realize the principle of the party's command of the Army, the post of chairman of the military commission had always been filled by the party chairman.

The Rule of the Person Is Ultimately Insecure

As Jiang Zemin had never been in the Army, Deng Xiaoping let Yang Shangkun work as first vice chairman of the military commission for a while during the transition. In October last year, at the 14th Party Congress, Deng promoted Liu Huaqing, a CMC vice chairman from the former Fourth Front Army, as a member of the CPC Central Committee Political Bureau Standing Committee, and created one more vice chairmanship, which was filled by Zhang Zhen. The two were to assist Jiang Zemin in running the Army. Meanwhile, Deng repeatedly told Jiang Zemin to spare no effort or time to establish himself with the Army and that the overall situation could be stabilized only when the Army had been stabilized. Deng had high hopes of Jiang Zemin.

The source also said that since becoming chairman of the military commission, following Deng's advice, Jiang Zemin has visited and given his regards to every garrison as chairman and has talked with ranking generals from the three headquarters and seven military regions who have accompanied him on these visits. These visits have enhanced his influence in the Army and have deepened his relationships with Army generals. Jiang has also called a number of enlarged CMC meetings, and, in April 1990 and toward the end of 1992, effected two big personnel reshuffles in the leadership of the seven great military regions and the main arms and services. There have also been changes in leading CMC personnel and the three headquarters. Yang Baibing was relieved of all military powers and kicked out of the Central Military Commission, making it possible for Jiang Zemin to increase his authority in the Army with the help of Liu Huaqing and Zhang Zhen. Earlier, Jiang completed a reshuffle of some 100 army-rank generals, further consolidating his leading position in the Army. Now, the three arms pledge close unity with the Central Committee with Jiang Zemin as the core, to Deng Xiaoping and the CPC Central Committee, and marching into the 21st century along the party line, which is obviously helpful to raising Jiang's authority in the CMC.

However, as a person with a Beijing military research institute said, Jiang Zemin owes his "heir apparent" status to Deng Xiaoping and other elders in the party, government, and military. Such "personal authority" is abnormal and insecure. Only "institutional authority" has real life force. Therefore, it remains to be seen if Jiang Zemin can hold the situation together after Deng dies. Deng Xiaoping knows the importance of institutional authority. But he and the government have been alarmed by obstructions from vested interests, resistance from democratic radicals, and the pressures of "peaceful evolution" from the West. As a result, the political system he conceived more than 10 years ago has not only not been launched, but is actually retrogressing (for example, from the "separation of the party and government" to the "party's monolithic leadership." This may prove to be Deng's biggest regret.

Commentator Discusses Education in Policy*HK2411052893 Beijing JIEFANGJUN BAO in Chinese
1 Nov 93 p 1*

[Commentator's article: "Conduct Education in Policy More Promptly and Effectively"]

[Text] Over the past year or so—with the pace of reform, opening up, and modernization drive being accelerated and with the development of the Army's overall building, which is focused on modernization—many new policies have been worked out and implemented. Under the education and guidance of the leaders and political organs at various levels, the vast numbers of commanders and soldiers have gained a correct understanding of the new policies and measures, and are supporting and implementing them enthusiastically. However, a small number of units still have not carried out relevant education in good time and have not offered effective guidance. This has, to a certain extent, affected the due effectiveness of the new policies. It is a problem that should arouse our serious attention in the Army's political education under the new situation.

It is a glorious tradition of our Army's political work and an important task of the Army's routine political education to propagate conscientiously the various policies of the party, and to carry out effective education in this respect promptly. Policies are the concrete expression of the party's theories, line, and principles. To correctly understand policies and play an exemplary role in implementing them is an important aspect of maintaining a high degree of unanimity with the party Central Committee in the ideological and political fields, and a necessary prerequisite and concrete action for achieving the objectives and fulfilling the tasks of the party, state, and Army in various stages. Under the new situation of reform, opening up, and modernization construction, in particular, whether we can correctly understand and implement various policies is a matter directly concerning whether we can conscientiously implement the party's basic line and actively throw ourselves into the great cause of the reform and construction of our country and Army. Practice has proven that when we have done a good job in this education, we are able effectively to increase the political consciousness of the vast numbers of cadres and soldiers, increase their ability to observe and analyze problems correctly, and enhance the cohesiveness and fighting capacity of the Army.

Fundamentally speaking, all policies of our party, state, and Army represent the interests of the people. This does not mean, however, that everyone can understand them correctly from the very beginning, or that the guiding and encouraging roles of the policies can be brought into play spontaneously. This is because every new policy is worked out in light of the needs of the overall situation and is based on consideration of the long-term interests of the masses. However, the people's recognition often is easily restricted by their partial and immediate interests. Without education, therefore, some comrades may find it very difficult to understand fully the significance and

requirements of the policies. Reform and opening up are a new cause. While having a bearing on the readjustment of interests, the enacting and enforcement of a new policy also will be affected by some old and outdated concepts. Under such a situation, to ensure that the cadres and soldiers can follow the development of the situation closely and that the power of the new policies can be brought into play as soon as possible, it is extremely important to conduct education in policy promptly and effectively.

Whether education in policy is carried out promptly and effectively in a unit reflects the political sensitivity of the party committee of that unit and the ability and level of its political organ in conducting education. Therefore, to carry out education in policy promptly and effectively, the party committees should strengthen their sense of responsibility, and the leading cadres should take the lead in studying and implementing various policies. Political organs at various levels must make a serious study of the methods for carrying out policy education under the new situation. They must pay particular attention to conducting education in light of the ideological realities of the Army, and must endeavor to increase the policy and ideological level of political cadres at various levels, and especially political instructors, as well as their ability to carry out propaganda and education.

Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics is the theoretical basis for working out a series of policies under the new situation. To successfully carry out policy education, it is necessary to study conscientiously the theoretical viewpoints that are concerned with relevant policies, study the spirit of the relevant important documents of the party, and master the ideological weapons for correctly recognizing and understanding the new policies. Under the new situation, all policies worked out by the state and the Army are serving the work of intensifying reform and promoting the modernization drive. To carry out policy education successfully, it is necessary to enhance our sense of reform and acquire a firmer conviction in resolving problems by intensifying reform. Reform, opening up, and modernization construction are another great revolution. While carrying out education in various policies, it remains necessary to stress the importance of selfless devotion and of taking the interests of the whole into consideration. When a good job is done in this field, the cadres and soldiers will be able to look at things from a higher plane and be more broad-minded. In addition, when detailed explanations have been made on the new policies and when painstaking ideological work has been done in light of the realities, they will be able to obtain a thorough understanding of the content, requirements, and significance of various new policies, and will be able to implement them more conscientiously. At the same time, the power of these policies will be brought into play more fully.

Circular Discusses Leadership for Brigade Groups*HK2611063893 Beijing JIEFANGJUN BAO in Chinese
20 Nov 93 p 1*

[“Commentator's article”: “Build Powerful ‘Front-Line Command Posts’”]

[Text] The People's Liberation Army [PLA] General Political Department recently issued a circular to commend 26 advanced brigade and regimental political organs, all being outstanding models of political building for the brigade and regimental organs of the entire Army. Emulating their advanced experience has great significance for strengthening the political building of our troops, for carrying forward and developing the fine traditions of our party and Army, and for ensuring the fulfillment of all our tasks at the grass-roots level under the current conditions of socialist market economic development.

The leaders of the Central Military Commission have stressed on many occasions that brigade and regimental organs should focus on giving face-to-face leadership to basic units. "Face-to-face" leadership means that brigade and regimental organs should give full play to their role as "front-line command posts" in the building of grass-roots units. Because they are close to the companies, brigade and regimental organs can most directly, most promptly, and most effectively acquaint themselves with the real situation at the grass-roots level and guide the work of the basic units. They are, therefore, a "hub" for implementing instructions from the higher levels, reflecting the real situation in basic units, and finding solutions for the large quantities of everyday problems encountered during the course of grass-roots building. Practice has shown that, if brigade and regimental organs can successfully give play to their role mentioned above, companies will be filled with great vitality and will be able to effectively fulfill their work on solid grounds; otherwise, people will find it very difficult to enhance the comprehensive level of the grass-roots building. It thus can be seen that it is extremely important for brigade and regimental organs to acquire a full and clear understanding of and give good play to their own functions and roles.

As "front-line command posts" responsible for guiding political work at the grass-roots level, brigade and regimental political organs should devote their main efforts to arming officers and men with Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics, as well as with the ideology of army building during the new period. Under the conditions of socialist market economic development, new situations and problems with army building will emerge on a constant basis. Under such circumstances, brigade and regimental political organs should unremittingly arm officers and men with Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics, as well as with the ideology of army building during the new period. At present, special efforts should be made to organize and guide officers and men in grass-roots units to conscientiously study Volume Three of "the Selected Works of Deng Xiaoping," and reinforce the ideological and political building of our troops, with a view to ensuring that political work at the grass-roots level can advance along a correct path, that our Army is politically qualified forever, and that our troops can enhance their combat readiness and fulfill all tasks assigned to them.

To successfully give play to their role as "front-line command posts," brigade and regimental political organs should firmly establish the concept of serving basic units wholeheartedly. They should always focus their work on the grass-roots units, keep companies and soldiers in mind at all times, do all they can to provide timely help to the comprehensive building of basic units, devote all their energy to strengthening political work at the grass-roots level, and try to solve problems and difficulties for officers and men in basic units. When helping grass-roots units to overcome their difficulties, they should give enough thought and try every means in order to get their work done. They need to try hard to improve the material and cultural lives of companies and earnestly help the basic units to ease their unduly heavy burdens. Doing a good job in serving companies and becoming "heart-to-heart" friends with comrades in grass-roots units can help strengthen grass-roots building and establish a higher prestige for political organs as well.

Although they are already on the "front line" of grass-roots work, brigade and regimental political organs still need to devote great efforts to improving their work style. They must go down and work in companies, give detailed guidance, earnestly practice what they advocate by passing on experience, giving help, and setting an example in training new hands, and pay attention to the fulfillment of all tasks in a down-to-earth manner. However, some of the brigade and regimental political organs are now accustomed to getting to know the situation of lower levels simply through phone calls or work reports, while others get bogged down with meetings and study materials and can find no time to stay or stay long enough with a selected grass-roots unit. As a result, some brigade and regimental organs—though they are fairly close to the basic units and soldiers—know nothing about the real situation of and problems with the latter and therefore fail to come to grips with the essentials of their work. A fundamental way to solve this problem is to strictly avoid a superficial style of work and to try to deal with specific issues relating to work in a down-to-earth way, go to the sites to become acquainted with the real situation, do solid work, and stress actual work results. By so doing, they can accomplish the goal of getting to know the real situation on the front line, of carrying out inspection and supervision on the front line, of giving solutions to problems on the front line, and of providing services and logistical supplies on the front line.

"One must be tough oneself if one wants to work with iron." As "front-line command posts" for grass-roots building, brigade and regimental political organs should unceasingly strengthen their own building, regard the process of guiding and serving basic units as one way to strengthen their own building, and study and improve themselves in practice. Practice has proven that whether cadres in brigade and regimental political organs can become qualified members for "front-line command posts" as well as good teachers and helpful friends to officers and men at the grass-roots level depends largely

on the cadres' own quality. This thus requires that comrades working in brigade and regimental political organs not only to be firm in their political faith and devoted to their work, but also familiar with work at the grass-roots level; not only to have unflagging enthusiasm, but also a creative mind; not only to be proficient in the work assigned to them, but also skilled at the work of other political organs; not only to have a good command of political work, but have also mastered the principles of military operation and logistical supply; not only to be good at convincing people with facts and truth, but also set an example to the troops. If every member of the political organs at all levels can meet the above requirements, the political organs of our Army can surely bring their roles and functions into full play and win the sincere trust of officers and men in basic units, while political work at the grass-roots level can take on a new look.

Zhang Zhen Speech Commemorates He Long

HK2511063093 Beijing JIEFANGJUN BAO in Chinese
2 Nov 93 pp 1, 4

["Excerpts" of Vice Chairman Zhang Zhen's speech at a forum marking the publication of the *Biography of He Long* and the 97th anniversary of He Long's birth (1 November 1993); place not given]

[Text] Comrade He Long, one of this Army's founders, was a time-tested proletarian revolutionary and military strategist in our party as well as an outstanding leader of the party and the state. In his revolutionary career of over half a century, he did immortal deeds for China's revolution and construction.

When he was 18 years old, Comrade He Long joined the Chinese Revolutionary Party, led by Mr. Sun Yat-sen, and participated in the democratic revolution. He organized three armed uprisings, but all were suppressed and damaged by the warlords. He did not lose heart, however; nor did he compromise. In late 1917, he once again organized an uprising, which was later described as "using two kitchen knives to make a revolution." In the 10 years after that, he joined the armed struggle for the democratic revolution. In the Great Revolution period, after the CPC and the Kuomintang effected their first cooperation, he came into contact with many young communists and obtained a knowledge of the CPC's position and belief. He then resolutely selected Marxism and accepted the leadership of the CPC. On 1 August 1927, under the leadership of the CPC Front Committee with Zhou Enlai as secretary, Comrade He Long led the 20th Army to join the great Nanchang Uprising. He was appointed commander-in-chief of the uprising force, thus becoming one of this Army's major founders. After the Nanchang Uprising, he joined the CPC and dedicated his whole life to the cause of the Chinese people's liberation and to the great communist cause without reservation.

After the failure of the Great Revolution in 1928, he organized the revolutionary armed forces with Comrade

Zhou Yiqun and some other individuals and established red political power in the border areas of Hunan and Hubei. In spite of many setbacks and through arduous struggle, he successfully founded the Fourth Army of the Chinese Workers and the Peasants Red Army and established the first red base area in western Hunan and Hubei. In October 1934, Comrade He Long led the Third Red Army to join forces with the Sixth Red Army Corps, led by Ren Bishi, Xiao Ke, and Wang Zhen. In November 1935, the Second and Sixth Red Army Corps, led by Comrade He Long and Comrade Ren Bishi, withdrew from the Hunan-Hubei-Sichuan-Guizhou Base Area and began the Long March. In July 1936, they arrived in Ganzi of Xikang and joined forces with the Fourth Front Army. He supported the party central body, headed by Comrade Mao Zedong, and, with Comrade Zhu De and Comrade Ren Bishi and other comrades, resolutely struggled with a clear-cut attitude against Zhang Guotao's mistake of splitting the party and the Red Army. They safeguarded the party's unity and promoted the victorious combination of the three major forces of the Red Army.

During the War of Resistance Against Japan, Comrade He Long resolutely carried out the strategic principles laid down by the party central leadership and Comrade Mao Zedong for penetrating the enemy's rear areas, going all out to mobilize the masses, expanding the armed forces of resistance against Japan, fighting a guerrilla war over a wide area. He won major victories in the guerrilla war in the area north and south of Yanmenguan, recovered seven county towns in northwest Shanxi, and established the Shanxi-Suiyuan Anti-Japanese Base Area.

After the victory of the War of Resistance Against Japan, according to the instructions of the Central Military Commission, Comrade He Long led troops from the Shanxi-Suiyuan Base Area to launch and organize a number of campaigns, which succeeded in defending the fruits of the victorious Anti-Japanese War. In October 1947, by the order of the Central Military Commission, he commanded his troops to enter Sichuan. Comrade He Long creatively applied Mao Zedong's military strategic principles and succeeded in containing several hundred thousand troops commanded by Hu Zongnan, the major force of the enemy in Southwest China, in the Qinling Mountains area. Finally, through joint operations with the forces commanded by Liu Bocheng and Deng Xiaoping, the enemy troops were wiped out in the Chengdu Plain. The campaign guaranteed the smooth liberation of the southwest region as a whole.

In September 1954, Comrade He Long was appointed vice premier of the State Council and minister of the State Physical Culture and Sports Commission. He assisted Premier Zhou Enlai in extensively and effectively handling state affairs. In his 14 years as minister of the State Physical Culture and Sports Commission, he expressed many original opinions and showed a strong sense of responsibility and outstanding capability of leadership and organization for the development of

physical culture and sports, and he was worthy of the title of founding father of PRC sports.

In June 1954, Comrade He Long was appointed vice chairman of the Revolutionary Military Commission of the Central People's government. In September 1955, he was vested with the military rank of PRC Marshal. In January 1960, he was appointed director of the National Defense Industry Commission of the Central Military Committee and made prominent contributions to the development of our country's national defense industry.

Comrade He Long always set great store by army building. When he was vice chairman of the Central Military Commission, he often inspected the troops, conducted investigations and study, paid attention to the building of the grass-roots units and the militia forces, cared about the improvement of the equipment and weaponry of the troops, and solved various problems in the armed forces. In 1963, after being authorized to take charge of the routine work of the Central Military Commission, along with Comrade Ye Jianying and Comrade Luo Ruiqing, he made great efforts to promote the Army's modernization and military training. They successfully organized the mass training movement throughout the Army and raised the whole Army's military training to a new stage. The military and political quality of the troops was greatly enhanced, and the achievements in this regard were remarkable.

Throughout his life, Comrade He Long fought for the cause of the party and the people. He loved the people, loved the party, and was loyal to the cause of proletarian revolution. He made remarkable contributions to the victory of the Chinese revolution, the growth of the people's armed forces, and the defense and construction of the socialist motherland. His brilliant deeds will remain in the minds of the whole party membership, the whole troops, and the entire people of the whole country for ever. We should emulate Comrade He Long's firm communist belief, fearless revolutionary spirit, and noble morality and should make efforts to raise this Army's revolutionization, modernization, and regularization to a new level under the leadership of the party Central Committee and the Central Military Commission with Comrade Jiang Zemin as the core and under the guidance of Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics and on army building in the new period.

Shaanxi Commemorates General Yang Hucheng

*OW2611164693 Beijing XINHUA in English 1533
GMT 26 Nov 93*

[Text] Xian, November 26 (XINHUA)—A grand ceremony to mark the 100th anniversary of the birth of the late patriotic General Yang Hucheng (1893-1949) was held today in this capital of northwest China's Shaanxi Province.

At the ceremony a 3.5-m-high bronze statue of Yang was unveiled in the city's Revolution Park.

Yang, former commander of the Northwest Army of the Kuomintang (KMT), detained former KMT leader Chiang Kai-shek in a mutiny in December 1936, known as the "Xian Incident". Yang and another KMT general, Chang Hsueh-liang [Zhang Xueliang], tried to force Chiang to join hands with the Communist Army to fight against the Japanese invasion. The incident resulted in the second cooperation between the KMT and the Communist Party.

Yang was killed by the KMT on September 6, 1949.

More than 500 people from all sections of the province attended the ceremony to commemorate the national hero. Among them were Yang Rudai, vice-chairman of the national committee of the Chinese People's Political Consultative Conference (CPPCC), Lu Zhengcao, former vice-chairman of the CPPCC, and leaders of the province and the city.

Chang Hsueh-liang sent an inscription of commemoration from his home in Taiwan.

Commissar Zhou Keyu Gives Speeches at Forums

Discusses Ideological Work

*HK2611063293 Beijing RENMIN RIBAO in Chinese 6
Nov 93 p 3*

[By Zhang Junfeng (1728 0193 1496) and Zhou Guangxiang (0719 1639 5046): "At PLA General Political Department's Forum on Political Work, Zhou Keyu Stresses Need To Strengthen and Improve Ideological and Political Work"]

[Text] A People's Liberation Army General Political Department forum on political work ended on 3 November. At the forum, Political Commissar Zhou Keyu stressed: We must make arduous efforts to strengthen and improve ideological and political work, maintain a high degree of centralism and unity within the Army, and resolutely do what the party and the party Central Committee say.

Over 200 leaders and cadres in charge of political work at the army, division, and regiment levels from various units under the General Political Department thoroughly discussed the central topic of strengthening and improving political work in support services in strict accordance with the new situation. All of them held that the support services, which undertake the important responsibility of managing the whole Army's finances, are very easily eroded by money worshipping, hedonism, and ultra-individualism. Hence, it is necessary to strengthen and improve ideological and political work; profoundly educate the Army about the theory of building socialism with Chinese characteristics, and about the aims, traditions, legal system, and discipline of the Army; and conscientiously improve the ideological and political awareness of cadres and soldiers.

Political Commissar Zhou Keyu pointed out in his speech: At present, the major task is to study well the thinking on army building cited in Volume 3 of the

Selected Works of Deng Xiaoping, thus ensuring that the Army will, at any time and under any circumstances, obey the party's absolute leadership. It is hoped that the Army will resolutely maintain the party's basic line, resolutely submit itself to the overall situation of state construction, resolutely defend the state's sovereignty and security, and firmly safeguard the leading authority of the party Central Committee with Comrade Jiang Zemin as the core.

Urges Studying Deng's Works

OW2911084693 Beijing XINHUA Domestic Service in Chinese 2114 GMT 26 Nov 93

[Article by reporters Cao Guoqiang (2580 0948 1730) and Zhang Dongbo (1728 2639 3134): "The Army Should Obey the Party—Zhou Keyu, Political Commissar of the General Logistics Department, on His Study of Volume 3 of *Selected Works of Deng Xiaoping*.]

[Text] Beijing, 27 Nov (XINHUA)—"Expositions on the Army, which Volume 3 of *Selected Works of Deng Xiaoping*, incorporates all dealings with the Army's fundamental issues. One of the most clear-cut issues discussed is that the Army must obey the party and the Central Committee." This was what Zhou Keyu, Political Commissar of the General Logistics Department, emphasized when talking to reporters recently on his study of Volume 3 of *Selected Works of Deng Xiaoping*.

Zhou Keyu recently studied Volume 3 of *Selected Works of Deng Xiaoping* earnestly at a theoretical symposium sponsored by the Central Party School for provincial and ministerial leaders. The study, he said, has enabled him to "have a more comprehensive understanding of Comrade Deng Xiaoping's thinking, particularly his theory of building socialism with Chinese characteristics, and a more profound grasp of its spiritual essence."

When asked to elaborate on his understanding of the Army-related expositions in Volume 3 of *Selected Works of Deng Xiaoping*, Zhou Keyu said: "I think we should especially understand four major issues, namely the Army should adhere to and safeguard the party's basic line; the Army should subordinate itself to the overall need of national construction; the Army should give top priority [fan zai di yi wei 2397 0961 4576 0001 0143] to safeguarding state sovereignty and security; and the Army must consciously work to safeguard the authority of the party Central Committee and the third-generation leadership collective with Comrade Jiang Zemin as the core. These are the most important political requirements which Comrade Xiaoping has laid down for the Army."

We asked: "How should the Army obey the party and the Central Committee in conjunction with realities while studying Volume 3 of *Selected Works of Deng Xiaoping*?" Zhou Keyu said: The Army-related expositions in Volume 3 of *Selected Works of Deng Xiaoping* were made with long-term needs in mind. I think the jobs we must do well today are: First, we must be more aware of our fundamental objectives and maintain our nature of

being the people's Army; second, we should heighten our sense of mission and improve our combat effectiveness and deterrent power; third, we must maintain a high degree of centralized unity and obey orders in all actions; fourth, our political work must be more in line with principles and our combat readiness; and fifth, we senior cadres must set examples with our deeds and give top priority [fan zai shou wei 2397 0961 7445 0143] to the party's interests.

"Serving the people wholeheartedly is the fundamental goal of the party and the sole purpose of our Army. Many consistent efforts in attaining this goal form the political foundation for the Army's obedience to the party." Zhou Keyu made this conclusive observation while commenting on the Army's aim and nature. He said: During the war years, the Army took up arms and fought for the people, and the Army forged flesh-and-blood, fish-and-water relations with the people. Since the period of peaceful construction started, this tradition has been carried forward and developed. New situations have appeared, however. The unhealthy tendency of putting money above all else, in particular, has had a certain impact on some officers and men. Thus, we must always bear in mind Comrade Xiaoping's instructions that the Army must always firmly maintain its own nature; that it must always be loyal to the party, the state, socialism, and the people; and that it must educate officers and men in concepts of life, values, money, and power until they know whom they serve.

Touching on the issue of strengthening the Army's sense of mission, Zhou Keyu said: "Defending the country's sovereignty and security is the sacred mission entrusted to our Army by the party. Obeying the words of the party is precisely for the purpose of fulfilling this mission." Zhou Keyu said: According to Comrade Deng Xiaoping's analysis of the international strategic situation and our country's security, the general situation is in our favor. However, we must not underestimate the threat of hostile forces. The Army must be prepared for danger in times of peace and firmly establish the thinking of being a fighting force. We should follow the demand put forward by Comrade Jiang Zemin: "All Army units must be qualified politically and competent military. They must have a fine style of work, maintain strict discipline, and be assured of adequate logistical support." We should concentrate our efforts to effectively train our military units, and actually raise their combat capability to meet an emergency. As for the Army's economic work, its purpose is precisely to strengthen the comprehensive logistical support.

Zhou Keyu said: "Maintaining a high degree of centralized unity [ji zhong tong yi 7162 0022 4827 0001] is particularly important to the Army. Without a high degree of centralized unity, the military units cannot be called an army and will not be able to fulfill the tasks entrusted to them by the party." He pointed out: Chairman Mao in his later years personally led senior cadres to sing "The Three Main Rule of Discipline and the Eight Points for Attention." After taking charge of

the work of the Central Military Commission, Comrade Deng Xiaoping paid particular attention to the improvement of the Army's style and discipline and called for rectifying the Army. He spent his main efforts on straightening up the loose, undisciplined and disorderly situation. In Volume 3 of *Selected Works of Deng Xiaoping*, Comrade Deng Xiaoping repeatedly stressed that the Army must not form a small coterie or a small group, and that it must not practice splittism. Therefore, under all conditions and circumstances, the Army must obey the direction of the party Central Committee and the Central Military Commission with Comrade Jiang Zemin at the core in all actions.

Zhou Keyu has been working in the field of political work in the Army for a long time, and has profound understanding in the principle and militant nature [zhān dōu xíng 2069 2435 1840] of ideological and political work. He said: "The Army's political work is the party's mass work in the Army. The first task is to ensure the party's absolute leadership over the Army." He further explained: The Army is an armed group, and so the requirements and demands of ideological and political work for Army members should be higher than those for the masses in society. We must always refrain from overlooking the need for publicizing the ideals of Communism, adhere to the four cardinal principles in a clear-cut manner, oppose bourgeois liberalization, and resolutely guard against and eliminate spiritual pollution on the ideological front. We should educate officers and soldiers with the five kinds of revolutionary spirit initiated by Comrade Deng Xiaoping and the 64-character pioneering spirit put forward by Comrade Jiang Zemin, and turn those instructions into spiritual support for promoting righteousness and resisting evil practices.

"The strength of character is tested in a crisis, and royalty is tested during turbulence." Zhou Keyu used this ancient poem to explain that senior Army cadres must be capable of withstanding all kinds of tests. He said: Senior cadres must obey the words of the party, and play an exemplary role in studying, promoting unity, adhering to democratic centralism, and being diligent and honest in performing official duties. He emphatically said: Senior cadres should not only obey the words of the party and the party Central Committee in peacetime; but, more importantly, they should forget about their own losses and danger in a crucial period, stand together through thick and thin, share weal and woe, and dare to come out and risk their lives when the party needs them. Senior cadres should "refrain from seeking fame and wealth and devote themselves to official duties." On the one hand, they should consciously strengthen their own study and cultivation, set strict demands for themselves and set good examples for the units. On the other hand, they should adhere to the standard of having both ability and political integrity in evaluating and promoting cadres in accordance with Comrade Deng Xiaoping's demand. They should place political integrity in the first place, and select and promote to leading positions at various levels those

comrades who are capable and loyal to the party. This is the organizational guarantee for having the Army obey the words of the party.

The glow of sunset lit the window before we knew it. When bidding farewell to us, Zhou Keyu held our hands and said: "After all, the Army must regard the protection of the interests of the party at all times as the highest norm, and the Army must obey the commands of the party Central Committee in all actions.

Navy Sponsors Seminar on Deng's Military Theory

OW2511131893 Beijing XINHUA in English 1236
GMT 25 Nov 93

[Text] Beijing, November 25 (XINHUA)—A seminar on Deng Xiaoping's military theory in the new era opened here today.

Sponsored by the Chinese Navy, the seminar received more than 40 theses, including ones written by Admiral Wei Lianzhong, commander of the Chinese Navy, and Rear-Admiral Wei Jinshan, political commissar of the Navy.

The seminar stressed that Deng Xiaoping's military theory in the new era has enriched and developed Mao Zedong's military thought.

The seminar noted that Deng's military theory stresses four themes: Peace, war and development; national defense construction with Chinese characteristics serving national economic construction; the general task of building a modern, standardized and revolutionary army; and integrating the objective demands of modern warfare with the Chinese armed forces' fine tradition.

About 70 senior officers as well as civilian academics are attending the seminar.

University Produces 'Powerful' Aviation Motor

OW2711100893 Beijing XINHUA in English 0900
GMT 27 Nov 93

[Text] Xian, November 27 (XINHUA)—A powerful DC aviation motor which uses a rare-earth magnet has been produced in Xian, capital of Northwest China's Shaanxi Province.

It was designed and developed as a key piece of equipment for a major national defense project by scientists from the Xian-based Northwest China Engineering University.

The device is a single motor with double-speed rare-earth magnetic structure, supported by a titanium-magnet alloy frame.

It is claimed to be the first motor of this sort in the world, featuring high reliability, long service life and high efficiency.

Economic & Agricultural

Li Peng Addresses Forum on 1994 Economic Tasks

OW0112142693 Beijing XINHUA in English 1403
GMT 1 Dec 93

[Text] Beijing, December 1 (XINHUA)—The central tasks of China's economic work in 1994 are to speed up reforms in establishing a socialist market economic structure and maintain fast, sustainable and healthy growth in the national economy, premier Li Peng said today.

Addressing a national conference here, the premier stressed that keeping the economy on a fast and healthy track remains China's top priority for 1994.

He said that China's current economic situation is sound and the economy is developing at a fast pace, thus paving way for further development next year.

1994 is an important year for China's economy to maintain a good development momentum, as well as a critical year for pushing forward reforms aimed at facilitating the building of a socialist market economy, Li Peng told the conference. The conference was presided over by Vice-Premier Zhu Rongji. Attending the meeting were vice premiers, state councillors, and heads of departments and local governments.

The premier outlined guidelines for China's economic work in 1994: Fully carry out the decisions of the 14th CPC National Congress and the Third Plenary Session of the 14th CPC National Congress; speed up reforms in building a socialist market economic structure; further expand the opening to the outside world; strengthen and improve macro-economic control; make greater efforts to readjust the economic structure, raise economic efficiency and ensure a fast, sustainable and healthy development of the national economy.

On agriculture, Li Peng said, China will spare no efforts in developing the rural economy, quickening rural economic reforms, and increasing farmers' income. Major targets are to achieve an overall development of the rural economy, work hard for a good grain harvest, ensure the sustained and healthy development of rural enterprises, invigorate rural markets, and ensure a fairly big increase in farmers' per capita income.

To achieve the goals, China will remarkably increase input into agriculture and the rural economy, gradually raise purchasing prices of grain and cotton, and perfect the special grain reserve systems.

Li Peng said that capital construction investment under the state budget, budgetary funds for agriculture and bank loans for supporting agriculture will all be increased.

He said the government will try to stabilize grain prices on the domestic market through macro-regulation and promote steady increases in grain output. Specialized

funds for purchasing grain will be set up to protect farmers' interests and arouse farmers' enthusiasm.

The premier stressed that agriculture is a major issue affecting China's overall situation as most of the country's population are in the rural areas.

The situation of agricultural development directly affects the well-being of rural and urban residents and the stabilization of food prices, he said, adding that fast economic growth depends on the development of rural markets, while rural markets can be developed only when farmers' income is raised.

On invigorating enterprises, Li Peng called reforms of enterprises "the focus" of China's overall reform scheme and a "most difficult issue in its implementation. The reforms should be focused on changing the operational mechanism of enterprises in such a way as to meet the standards of modern enterprise management in accordance with the decisions of the Third Plenary Session of the 14th CPC Central Committee, he said.

The premier envisaged "big changes in exterior conditions" for enterprises, along with the adoption of various reform measures in the coming year. While positive in general, these changes may cause new problems to enterprises.

Because of this, Li continued, there will be the need for relevant government departments to coordinate the country's macro-economic operations better and improve the work to monitor and forecast economic trends.

"The current shortage of funds will be alleviated gradually, and it is expected that problems concerning the market may stand out," he said. "Therefore, great importance must be attached to market problems and efforts be made to divert the attention of enterprises to market development in China and abroad."

The premier attributed poor economic performance of some enterprises to poor management.

"Work should be done in real earnest to improve management of enterprises and enforcement of work rules and disciplines and enhance their overall quality to make them more adaptable to market conditions and able to compete," he said.

Li Peng referred specifically to traffic and other accidents now rising in numbers, and attributed them to weakened enterprise management. He called for attention to the issue and more work to avert the dangers, in line with the principle of "prevention first."

The premier also called for continued efforts to make the volume of capital investment "appropriate" and optimize its structure. This is an important condition for ensuring a proper economic growth, he said.

At present, he noted, capital construction projects already under way are "large enough in scale," and also numerous are projects about to start.

Local governments and central departments should do a good job of classifying projects, whether already under way or about to start, in order of urgency and importance so that the financial and material resources currently available could be used on projects which are most profitable, he said.

In allocating funds, he conceded, priority must be given to projects of key importance to development of the infrastructure and basic industries, especially those projects designed to develop the badly needed resources in the Central and Northwest China.

Meanwhile, Li said, funds must be ensured for projects in education and the development of science and technology.

The premier laid down what he called "three principles for projects to be started in the future":

First of all, applications for bank loans should be filed only after a certain proportion of the capital investment is ensured for a new project.

Secondly, loans to cover the working capital must not be used as capital investment, and banks must improve their supervision over this issue.

Thirdly, new projects must have sufficient working capital and construction must not start before such funds are ensured. Local governments must allocate a still bigger proportion of the funds in their possession to the construction of infrastructure facilities. In readjusting the investment structure, the portion for urban housing construction must be increased to facilitate the implementation of the housing reforms.

Li Peng said that in 1994, big and important steps will be taken to implement the reforms of the financial and taxation systems. He called these steps an "urgent must" for the national drive to build up a socialist market economy.

To be specific, he added, there will be three major reforms: the reform of the taxation system, the institution of the tax-sharing system and the transformation of the system for the distribution of the profits made by state-owned enterprises.

These reforms are vital to the entire national economic development, he said, noting that in devising them, methods popular in developed countries have been taken as reference while China's specific conditions have received sufficient attention, and due attention has been paid to the need to increase the central government's financial power and, at the same time, local needs and the current situation of enterprise operations have been taken into account.

The premier called upon party and government leaders at all levels to acquire a full knowledge of the importance of these reforms, do a conscientious job of convincing the various sides into accepting the reforms, and attach sufficient importance to implementing them so that expected results will be attained.

The premier described reform of the banking system as a pressing task. He said that the People's Bank of China will be made a true central bank, which will be able to formulate and enforce monetary policies and control and regulate the money supply and stabilize the value of currency. Correspondingly, a number of banks will be set up to carry out their activities based on state policies and specialized banks will be made purely commercial.

Li urged the governments at all levels to support the banks so that they will perform their duties and, the banks to accept consciously macro-economic control measures to be taken by the state.

Li said that fund shortage will last in the whole process of China's modernization and that determines that what is available should be used efficiently and in such areas as key state projects, agriculture, raw materials industry, information infrastructural facilities and foreign trade and in support of the production and management of large and medium-sized state enterprises.

The premier also outlined the task to further developing and enlivening the money market, especially the inter-bank lending market, and to establish state treasury bond market so as to stimulate the liquidity of funds.

Li also urged further reforms in the foreign exchange control system by establishing a unitary floating exchange rate system based on the market supply and demand.

The premier said that China will continue price reforms next year in a way that will be sure and steady and acceptable to people of all quarters.

He urged the governments at all levels and departments in charge of pricing to implement price reform measures carefully and faithfully.

He drew particular attention to the importance of showing concern for the livelihood of the people at a time when reform will surge ahead in big strides and prices will rise sharply.

He said that every effort should be made to help people who have not entirely solved the problem of inadequate food and clothing, the workers and retired workers whose factories have been shut down or operating under capacity, local government functionaries and middle and primary school teachers. He said that local governments should do something concrete in a down-to-earth manner so as to make the people feel both the concern of the authorities and the benefits brought about by the reforms.

Premier Li Peng reiterated the basic state policy of opening up to the outside world, which have contributed to the rapid economic development over the past decades.

He said that China will take further steps to open up to the outside world. These include the running well of

special economic zones, the economic and technological development zones and the Pudong New Area of Shanghai.

He urged to seize the favorable international environment to bring China's opening into breadth and depth on a new level.

The premier said that China will deepen the reform in the foreign trade management system, with the import and export to be controlled by economic means such as tariff and exchange rate instead of the original administrative means. The reform of the foreign trade system should be conducted in step with the reform of the financial, taxation and banking systems, said the premier. Li Peng stressed the need to improve the work styles and levels of leading officials and do well in the economic work next year, which, he said, will have a big bearing on the long-term development.

He called on leaders at all levels, particularly senior officials, to study earnestly the third volume of the Selected Works of Deng Xiaoping, master the essence and do their work hard and creatively in line with actual circumstances of various localities.

While doing reforms and opening to the outside world, Li said, it is necessary to do other work well, such as education, science and technology, culture, public health, physical culture and sports, environmental protection and birth control. There should be no relaxation in promoting socialist culture and developing socialist democracy and legal system, he stressed.

Li Lanqing Attends Foreign-Funded Export Fair

*OW2811130493 Beijing XINHUA in English 1236
GMT 28 Nov 93*

[Text] Xiamen, November 28 (XINHUA)—The second export commodity fair for China's foreign-funded enterprises opened in Xiamen, eastern Fujian Province, today.

More than 1,000 foreign-funded enterprises, representing 40 delegations from Chinese provinces and major cities, and delegations from Hong Kong, Taiwan, Singapore, Japan and Malaysia have come to attend the fair, the organizers said.

On display are over 100,000 kinds of products, ranging from chemicals, automobiles, construction materials and medicines to electronics, textiles and handicrafts.

The fair will also feature trade and investment talks and policy forums.

Vice-Premier Li Lanqing visited the fair this morning.

The fair, which will close on December 4, is jointly sponsored by the Ministry of Foreign Trade and Economic Co-operation, the Chinese Association of Oversea-Funded Enterprises and the government of Xiamen city.

The first such fair was held from January 8 to 14, 1992.

Reportage on Chen Junsheng's Activities

Discusses Water Conservation

*OW2911164093 Beijing XINHUA in English 1612
GMT 29 Nov 93*

[Text] Beijing, November 29 (XINHUA)—State Councillor Chen Junsheng today called on leading members of governments at all levels to personally take charge of the work on construction of water conservancy projects in the winter/spring period.

He made the call at a national telephone conference on the construction of water conservancy projects here today.

It has a set practice for China to engage in water conservancy projects during the winter/spring period. The campaign is now in full swing in northern China and is surging ahead in southern China.

It was reported since autumn, 720 million man-days have been put into the projects and over 1.1 billion cubic meters of earth and stone have been moved. The two figures are eight percent and ten percent more than last year's respectively.

Thanks to these projects, a total of 850,000 hectares of irrigated farmland will be added and 520,000 hectares of formerly irrigated farmland will be watered again. Meanwhile, 110,000 hectares of low-yielding farmland will be improved and soil erosion in a 3,300-square-kilometer area will be brought under control.

About 3.2 million people and 600,000 head of animals will no longer suffer from shortages of drinking water.

Chen told the conference that the central government has decided to build a batch of major state flood-control, irrigation, drainage and water-supply projects in the 1990s. He called on the departments of planning, finance, banking, power and materials to make greater efforts to support construction of the water control projects.

Congratulates Forest Farm Group

*OW3011060793 Beijing XINHUA in English 0551
GMT 30 Nov 93*

[Text] Beijing, November 30 (XINHUA)—China's forest farms have become an important force in the development of the forestry industry.

China now has a total of 155,600 state- and village-run forest farms and forest farms managed by forestry, coal, railways, light industrial and water conservancy departments.

Since the beginning of 1980 the farms have given priority to promoting the development of both forest resources and increasing economic returns by following the principle of "taking forestry as the key link, developing a diversified economy and ensuring all-round development."

According to statistics, the country's forest farms now cover an area of more than 666 million ha, some 36.6 million ha of which is forested.

The total timber reserves of the state- and village-run forest farms have reached two billion cu m, with an annual increase of 5,000 cu m—respectively about 25 percent and 30 percent of the total of the country.

They produce over 14.5 million cu m of timber each year, making a total income of 7.7 billion yuan (over 1.2 billion U.S. dollars).

In order to maintain the stable development of the forestry industry, the Forest Farm Association of China was founded November 19 this year.

State Councillor Chen Junsheng sent a letter of congratulations to the new association, urging administrations at all levels to make more efforts to promote the forestry industry.

State Drafts Law on Securities Management

OW0112113893 Beijing XINHUA in English 1101 GMT 1 Dec 93

[Text] Beijing, December 1 (XINHUA)—Chinese securities experts have suggested that the State Council establish an authoritative national securities management commission to unify the management and supervision of the entire securities market.

The State Council's securities committee and China's securities regulatory committee are now responsible for supervision of securities market.

But other administrations, such as the People's Bank of China (the central bank), the State Commission for Restructuring the Economy and the State Planning Commission, also have jurisdiction in the field.

The municipal governments of Shanghai and Shenzhen are also empowered to manage local stock exchanges themselves.

The limits on powers and functions have not been set out clearly among these organs. Therefore, the country's securities market is faced with myriad overseers and rules.

At an international symposium held here today to mark the third anniversary of the Shenzhen Stock Exchange, Cao Fengqi, member of the China Securities Law drafting team and a professor at prestigious Beijing University, said that the new proposal has been written in the draft law.

State control on the issuing of securities was not included in the draft, because, according to Cao, it is only a temporary policy to guide the transformation of Soviet-style central planning into a market economy, and it can not help effect macro-control of the securities market.

Cao also said that the draft would concentrate the power of approval to securities monitoring organs and link the approval system with the registration system.

Greater attention will be paid to the role of accountants, lawyers and stock-evaluating personnel under the new law as well, he said.

One aim of the draft law, Cao said, is to prevent administrative intervention in securities transactions and the present requirement for the approval of diverse authorities on stock issuances.

The draft also states that a unified circulation market of shares held by the state, institutional investors and individuals, as well as an over-counter trade market, should be established.

After more than a year of drafting, the seventh edition of the law has been completed and will be submitted to the Standing Committee of the National People's Congress for deliberation in the first half of next year.

It consists of 13 chapters and 170 articles and includes definite stipulations on the issuing, management and trading of securities. The draft also addresses securities monitoring organs, trade places, and purchasing companies.

China's securities market has witnessed rapid progress since it was reopened in 1981. The number of listed companies in Shanghai and Shenzhen stock exchanges has reached 155, with the capitalization surpassing 350 billion yuan. The two stock exchanges have over 900 members.

While introducing the draft law to about 300 participants in the two-day meeting, Cao said that since China has about 4,000 stock-issuing companies, and only a small portion been listed, the development of the securities market in China has broad prospects.

Trade Official Discusses Enterprise Reform

HK2711083993 Beijing ZHONGGUO XINWEN SHE in English 1250 GMT 26 Nov 93

[Text] Beijing, November 26 (CNS)—An official from the department responsible for the administration of enterprises under the State Economic and Trade Commission said that there should be new features created for the enterprise system and that a modern enterprise system would be set up to bring China's enterprises into line with the market economy system.

The official revealed that the commission had drafted a document on the establishment of such a system after research and surveying of some 100 enterprises had been carried out by the commission together with the State Commission for Restructuring the Economy, the development research centre under the State Council and other departments, thereby forming a model for a modern enterprise system with Chinese characteristics.

The modern system, according to the official, should have certain features. First, separation of government and the enterprises must be realized to enable enterprises to be fully independent of government organs. Second, enterprises should be given certain powers so as to

become a legal person responsible for their own profits and losses. Third, enterprises should be fully open to the market and operate in accordance with market rules. Fourth, the enterprise system and the management system should operate in a scientific and standardized way. Fifth, the government should change its functions and applying indirect regulation rather than direct administration of economic activities.

The official said he believed that the difficulties facing China's enterprises lay mainly in lack of separation of the government and enterprises long under the control of a particular department. The state cannot afford to have to deal with any losses suffered by enterprises. He stressed that a clear status for an enterprise was of great importance because enterprises are one of the main components of the market system. This is why it is so important for China to see the establishment of a modern enterprise system at a planned pace.

Report on Private Joint Venture Businesses

OW0112083293 Beijing XINHUA in English 0741 GMT 1 Dec 93

[Roundup: "Privately-Managed Joint Ventures Burgeon in Coastal Areas"]

[Text] Beijing, December 1 (XINHUA)—Overseas business people are showing more and more interest in co-operating with Chinese private enterprises in coastal areas.

According to preliminary statistics, there were about 300 joint ventures run by individual Chinese and overseas investors in coastal areas of 12 provinces and municipalities last year, and the number is expected to top 400 this year.

Economists here agreed that the coming into existence and development of privately-managed joint ventures since 1990 indicates that China is deepening its national reform and opening further to the outside world.

"And the theory of regarding private economy as harmful to socialism, which had been promoted across the country for 30 years since the founding of New China in 1949, is wrong," an economist said.

China's private economy resumed and developed in 1979, when the country began the reform and open policy.

In 1988 the National People's Congress, China's highest legislative body, enshrined the growth of the private economy in the constitution.

Since 1990 governments at different levels have worked out a series of policies in favor of co-operation between private enterprises and overseas business people.

"Under such conditions," said Yang Baoliang, general manager of the Lianhua Glaze Coating Company Ltd in Wenzhou, an economically-booming city in Zhejiang

Province, "a private enterprise, which is independent in its management and develops according to market needs will surely grow rapidly."

The coating company is a joint venture run by the private Wenzhou Huiqiao Color-Glazing Factory and Hong Kong's Golden Snake Company, which inspected many enterprises on the mainland and finally settled on the factory because of its flexible measures.

A survey report shows that most of the overseas investors who co-operate with private Chinese enterprises are small ones from Hong Kong, the United States, Japan and Southeast Asian countries.

A privately-managed joint venture usually requires an investment of between 300,000 U.S. dollars and 400,000 U.S. dollars in businesses involving garments, textiles, construction, toys and food-processing.

A joint venture with advanced technology, equipment and management, makes better economic returns than other private enterprises in the same trade soon after it goes into operation.

According to statistics, the sales income of the Lianhua Glaze Coating Company Ltd, with 56 employees, is expected to climb to 10 million yuan this year, almost double the income in 1990, when it became a joint venture, according to the general manager.

Opened in 1990, the Henglong Qipilang Garment Company, also a privately-managed joint venture in Jinjiang city, Fujian Province in Southeast China, is selling its products briskly in the markets of Beijing, Shanghai and Hong Kong.

Wu Xingqun, manager of the company, attributed the good result to closely following the pattern of the market economy.

According to economists, the 14th Central Committee of the Communist Party of China, held in Beijing last month, further confirmed the principle of taking the publicly owned sector as the mainstay, while striving for simultaneous development of all economic sectors.

They agreed that the private economy will mushroom on the Chinese Mainland in the coming years.

Beijing Jeep Firm Plans New York Stock Listing

HK2811080493 Hong Kong SOUTH CHINA SUNDAY MORNING POST (SUNDAY MONEY) in English 28 Nov 93 p 1

[By Ivan Tong]

[Text] Beijing Jeep Corporation—31 percent Chrysler-owned—is considering a direct listing on the New York stock exchange, starting a new chapter in the thorny history of the pioneer Sino-American joint-venture.

The Cherokee jeep producer, once considered a showcase of American investment in China, has been twice on the verge of bankruptcy since it was set up in 1984. A

gradual recovery in China's car industry over the last few years put the company back on a sound financial track.

Beijing Jeep deputy general manager Hu Zhongliang told SUNDAY MONEY yesterday the listing plan was only at a preliminary stage and it would be premature to have any discussion. Several Hong Kong-based merchant banking sources, however, said the flotation was at the planning stage while another source at the company confirmed that a New York listing was one of the fund-raising options being considered.

"New York will certainly be the most ideal place for Beijing Jeep's off-shore listing, as it represents a homecoming by Chrysler," one merchant banker said.

If implemented, the new issue would be able to secure a favourable reception from U.S. investors, he added.

The proposed structure and timing of the flotation is still not known but the move will make Beijing Jeep the third mainland joint-venture after Ek Chor China Motorcycle and China Tyre to float its shares in New York.

Approval from Beijing is believed to be vital for the company to go overseas for new capital.

Under the current tide of overseas capital raising, mainland enterprises are understood to have flocked to the Securities Regulatory Commission to seek an overseas listing. Sources said the Beijing authority was in the process of selecting a few enterprises for a New York and London listing next year. This would come with the second batch of H shares to be listed in Hong Kong.

Sources said that the Beijing-based Shougang Corporation had expressed interest in a Hong Kong flotation, in addition to its existing Hong Kong portfolio of listed backdoor subjects.

Meanwhile, according to a recent evaluation made by the Ministry of Foreign Trade and Economic Co-operation and the State Statistics Bureau, Beijing Jeep has ranked among the top three on the list of 500 large foreign-funded companies in China in terms of sales. The two others are with Guangzhou Peugeot and Shanghai Volkswagen Corp, also car-making joint-ventures on the mainland.

Guangzhou Peugeot had been listed early this year in Hong Kong under the name of Denway Holdings.

Beijing Jeep is a joint-venture between State-owned Beijing Automotive Works and Chrysler, which took over from the original partner American Motors, in the late 1980s. It stopped making jeeps out of imported kits in June 1986 because a government clampdown on foreign exchange spending prevented Chinese enterprises from buying the vehicles.

The company recently announced a US\$225 million expansion programme which will boost production to 100,000 units a year by 1995. It produced 48,200 units last year, a 15 percent rise over 1990. Production has

steadily increased since 1989 when Beijing relaxed its market control and jeeps were getting hot in the domestic market.

The rise in vehicle production over the past few years has been fuelled by the massive increase in demand for private cars and the continued restrictions on vehicle imports.

The excessively high import duties on foreign-made vehicles means people in China wanting to buy a passenger car have their choice restricted to joint-venture and state-run manufacturers.

The successful listing of Brilliance China in New York late last year was followed by the New York listings of Ek Chor and China Tyre. Since then, Beijing has made it known it will place a firm grip on any joint venture companies seeking an overseas listing.

Commentary on 'Anti-Unethical Competition Law'

HK0112053493 Beijing CHINA DAILY in English 1 Dec 93 p 4

["CHINA DAILY commentary": "Market Fair Play"]

[Text] The Anti-Unethical Competition Law of the People's Republic of China comes into force today.

The law aims to combat unfair competition so as to safeguard the legitimate rights of entrepreneurs and consumers and help to build a healthy socialist market economy.

Competition is a fundamental feature of the market economy, and the law lays down the basic rules for fair competition. During China's transition from a planned economy, it will close up legal and administrative loopholes.

In a market economy, economic entities survive and develop through competition and trying to provide better quality products and services. Underhanded practices, such as bribery and stealing corporate secrets, are prohibited under the law because they violate the basic principles of fair competition that underlie a market economy.

China's current law tackles unethical competition covering 11 categories, including pirating and using counterfeit trademarks and packages; giving and accepting commissions and discounts that are not recorded; printing false advertisements; selling goods at below cost or awarding prizes to customers to edge out competitors; compelling buyers to purchase unwanted goods as preconditions for sale; stealing commercial secrets; libelling adversaries; and conspiring to control prices.

Violators can be fined from 10,000 yuan to 200,000 yuan (\$1,700- \$34,500), have their illegal earnings confiscated and their licences revoked. Those guilty of criminal offences will be punished according to law.

A distinctive feature of the law is that it covers power abuse. In some areas local authorities set up trade

barriers to prevent goods from outside their districts from entering local markets. In others, State-owned enterprises that have monopolies coerce customers into buying their products. In this regard, the law will play a positive role in the on-going anti-corruption campaign.

It will also be a useful addition to existing legislations, particularly the Product Quality Law, in eliminating fake and sub-standard goods.

A law is only empty words unless it is strictly enforced. It is hoped that industry and commerce administrations will familiarize themselves with the new law and carry it out to maintain market order.

The law, however, cannot be expected to wipe out all unfair practices, some of which are rooted in the economic system. These can only be removed through the deepening of reform.

Although the law deals with monopolies, the prime example of unfair competition, it leaves the definition and penalty of such malpractice to the anti-monopoly law which is yet to be formulated.

Paper on Predominance of Public Ownership

HK3011052493 Beijing JINGJI RIBAO in Chinese 2
Nov 93 pp 1, 3

[By staff commentators Yang Shangde (2799 1424 1795) and Yan Kalin (7051 0595 2651): "How Should We Interpret 'Public Ownership Playing the Main Role'"]

[Text] China's reform has now entered a crucial stage and there is an increasing number of problems involving ownership. The most prominent current problem is the interpretation and attainment of the "predominance of public ownership" in the development of the national economy.

As everyone knows, the reform target set by the 14th CPC Congress is the establishment of a socialist market economic system based on the predominance of public ownership. In actual economic operations, however, some unexpected circumstances have cropped up, the prominent ones including: First, the sharp decline in the proportion of the public sector in recent years. According to statistics, the proportion of state industry dropped from 77 percent in 1978 to 54.6 percent in 1990 while that of retail sales dropped to 39.2 percent in 1990. The proportion has continued to drop over the past two years. Second, the slow public sector growth. From 1980 to 1992, industrial production in the public sector grew at an annual average of only 8 percent while that in the private sector grew at 18 percent. China's rapid economic growth in the 1980's was mainly motivated by private sector industry. Third, the marked acceleration of the private sector. Since reform and opening up, the ratio of the public sector to the collective and other sectors has been 1:1.2:2.2. In other words, the growth in the private sector doubled that in the public sector. The proportion of the private sector in some localities and trades, tertiary industry in particular, is likely to exceed that of the public one.

Moreover, mergers and shareholding have surfaced between the public and the private sectors in some localities. After the reorganization of some state owned enterprises through the joint stock system or joint ventures, the public sector is no longer the major shareholder as the proportion in some has dropped to under 51 percent.

In the face of such a situation, two diametrically different views have appeared in the media at home and abroad. One believes that in developing a market economy, it will be difficult to uphold the "predominance of the public sector" and privatization will be inevitable. Some have even asserted that the public sector is obsolete and that privatization is imperative for China's prosperous economy. To uphold socialism, others believed, it is necessary to restrict the growth of the private sector and ensure the absolute superiority of the public and state sector in all localities, departments, and trades. Even when the joint-stock system is experimented with, the state should hold at least 51 percent of the shares. Otherwise, the upholding of the "predominance of the public sector" will be empty talk.

It should be noted that these different views are by no means accidental. In today's world there has never been a country which upheld socialism and also practiced a market economy. What form should we follow in establishing a socialist market economy based on the predominance of the public sector? This is a new question we face on our road toward a market economy and deepened reform.

More than a century ago, Marx anticipated that the socialist system would first be established in the capitalist countries, where production was relatively developed, through proletarian revolution and that ownership would be unitary ownership by all the people. According to Marxist theory, public ownership would replace private ownership mainly because the basic contradiction of the capitalist society, namely, the contradiction between socialized mass production and private ownership of property, hindered the development of the productive forces. However, the results of historical changes indicate that the socialist system was first established in countries where production was relatively backward. What kind of ownership should be chosen in such a country? This is a question which has not yet been properly resolved in the history of socialist development. Traditional concepts insisted that socialism is tantamount to a planned economy and a planned economy, to ownership by all the people. For this reason, we one-sidedly pursued "the larger the size the higher degree of public ownership" during those years, believing that the "larger," "purer," and "higher" degree of public ownership would be better. Guided by such thinking, a number of localities were eager to effect "a poor transition" and upgrading, turning a small-scale collective economy into a large-scale one and a large-scale one into an economy owned by all the people, forming a unitary structure of state ownership. This unitary ownership did not conform to China's national conditions and hindered the

development of the productive forces. Since reform and opening up, we have proceeded from reality, laid down the principle allowing development of various economic sectors based on the predominance of the public sector, and achieved good results of comprehensive economic prosperity. The results are obvious to all.

The question now is how should we understand the "predominance of public ownership?" In upholding the "predominance of public ownership," must we restrict the development of other sectors and let the composition of the public sector quantitatively or proportionally account for a larger portion in all localities and fields? With the "three conducive's" proposed by Comrade Deng Xiaoping as the criterion, it is necessary to further emancipate the mind and seek quicker development of reform and construction.

We should look at the essence rather than the surface of matters. Above all, we should be aware that upholding the predominance of public ownership is the means rather than the objective. The base and fundamental purpose of Marx's anticipation of the substitution of public for private ownership in socialism was to emancipate and develop the productive forces. In the final analysis, China chose the predominance of public ownership to make the most of the superiority of public ownership, arouse the enthusiasm of various sectors, further develop the social productive forces, and lead the people to the road to common prosperity. Therefore, in the social economic structure, the proportion of public ownership and embodiment of the predominance of public ownership should be based on the criterion of being conducive to the development of productive forces rather than any other criterion. It is necessary to uphold the principle of seeking truth from facts and proceeding in all cases from practice rather than merely proceeding from book knowledge and still less, acting on assumptions.

Second, the "predominance of public ownership" cannot simply be interpreted as the predominance of state ownership. For a long time, people regarded ownership by the state and all the people as genuine public ownership. Ownership of township enterprises by the collective and joint-stock cooperation also belong to public ownership but they are usually treated in a different manner. There is a deviation in this regard. State ownership or ownership by all the people constitutes one form of public ownership rather than the absolute only one. The term "predominance of public ownership" includes the form of collective ownership. There are now around 10 forms of ownership in China: Ownership by all the people; collective ownership; joint stock cooperation ownership; mixed ownership; mixed joint stock ownership; ownership by social groups; ownership by individual laborers; ownership by private enterprises; ownership by Sino-foreign joint ventures; and exclusive ownership by foreign investors. Although the first six forms include limited private factors, on the whole they basically belong to public ownership. The situation with the latter four is different but they are basically private

ownership constituting a supplement to the public sector. In statistics and calculations, the latter four are generally included in the private sector category. Despite the tremendous changes which have been effected in the development of various sectors over the past decade or so, the proportion of China's public sector, including the economy owned by all the people and the collective sector, in the country's total industrial output value, retail sales, and GNP still accounted for 92.2 percent, 71.3 percent, and 90 percent respectively, until 1990. The proportion of total social assets is even higher. Therefore, even if someone wants to change China's economic setup which is characterized by the predominance of public ownership, this reality will never change so long as state assets are not distributed gratis to individuals as done in some countries.

Third, the predominance of public ownership refers to the economy owned by the whole country and people. On the whole, so long as the public sector keeps control of the country's main economic lifelines, takes a predominant position in major trades, plays the role of ensuring efficient and coordinated development of the economy as a whole and social stability, and occupies a dominant position against the sum total of other ownerships, it can embody its predominant position. It will be unnecessary for the public sector to occupy a dominant position in every trade. In commerce, catering, and a number of trades, other economic sectors should be given a free hand to develop as much as possible. In the public sector, the state-owned economy undoubtedly constitutes the main force and plays a leading role in the country's economic development. However, such a leading role lies in its dominant position in the major industries such as basic industries, infrastructure, mainstay industries, and leading industries, which are of vital importance to the national economy and people's livelihood, rather than its proportion in the national economy. Its leading role lies in its advanced production relations, tremendous economic strength, and technological superiority rather than the special and preferential policies offered by the state. Even if the proportion of the state sector in the national economy drops somewhat in the future, such a leading role and predominant position will remain unchanged.

Fourth, proceeding from the reality of China's uneven economic development, the proportion of ownership should differ in various localities. Take Zhejiang's Wenzhou and Fujian's Shishi, which were relatively poor in the past, for example. Their economies have flourished and the people have become rich thanks to the rapid development of the individual and private sector over the past decade or so. Can we regard this as dangerous? The average income of peasants in Zhejiang was 165 yuan before 1978 but, thanks to diversified economic development, the peasants' average income now exceeds 1,000 yuan. Is there anything wrong with this? We should say that this is the real superiority of socialism. There is nothing to be afraid of in the common development of various economic sectors. We should not fear the development of the private sector, particularly in

areas where the level of the productive forces is relatively low. In a number of poverty stricken and mountainous areas in the western part of the country, we should boldly encourage emancipation of mind and give them a free hand to vigorously develop the individual, private, and other economic sectors. So long as the economy has developed and the people have extricated themselves from poverty and taken the road to prosperity, which is advantageous to both the state and the people, we should not be afraid of the dominant position of the private sector in these areas because this will not influence the predominance of public ownership in China.

Fifth, we should be aware that with the development of a market economy, changes effected in China's original economic sector and the merging of the public and private sectors constitute an inevitable trend. This is independent of man's will. At the beginning of reform, we determined that the public and private sectors had their own forms and scopes of operation and the two stood side by side. Under market economic conditions, however, some public and private sectors must merge in the competition through the joint stock system or other forms. Because the public and private sectors have emerged in the capacity of commodity producers and they both have the right to carry out legal competition. In order to remove certain restrictions, to avoid the unnecessary loss of interest, and to open up bright prospects for enterprise development in the course of the competition, some enterprises from the public and private sectors, impelled by their own interests, may join together and establish a new form of joint stock economy. Will the practice of adding factors of the private sector to the public sector, which has the nature of a mixed economy, be harmful to the public sector? The answer is no. Generally speaking, public sector assets poured into the joint stock enterprises can produce better economic results; the private sector has good operation means and mechanisms, which can bring about a change and increase the efficiency of the public sector; and the infiltration of the public sector into the private sector will be conducive to standardizing and correcting the operation and behavior of the private sector, boosting the flow of essential production factors and optimizing the economic setup. What is more, in the appraisal of the organic combination of the two sectors, we should adhere to the criterion of productive forces, see whether it is conducive to the public sector, and whether it can eventually promote development of the productive forces. So long as it is conducive to deepened reform, to invigorating enterprises, and to arousing the enthusiasm of all sectors, we should not artificially restrict the development of such a mixed sector.

Regarding the question of state holdings, in the joint stock reorganization of every state enterprise, it will be unnecessary for the state shares to account for a larger portion so long as state holdings are not absolutely necessary viewed from the importance of that enterprise. Since this is applicable to exclusively foreign funded enterprises and private enterprises, and since the state enterprises can also be sold by auction, why cannot the

other economic sectors account for a larger portion in the reorganization of some state enterprises?

To implement a socialist market economy, we cannot avoid the reform of ownership and change in the ownership structure and we cannot exclude and restrict the development of other economic sectors. In this regard, the worry that it will influence the "predominance of public ownership" and change the nature of socialism is unnecessary.

The real thing to worry about now is that most of the state enterprises lack vitality and an increasing number of enterprises have merely become "empty shells" because of losses. Moreover, the drain on state assets is weakening the dominant position of the public sector. The increasingly rapid development of diversified economic sectors apparently does not constitute a real menace to the predominance of the public sector. Upholding the predominance of public ownership means further emancipating the mind and accelerating the pace of state enterprise reform, and the reform of property rights in particular, rather than imposing uniformity on all other economic sectors. To ensure the gradual flow of state assets to the property rights market, we should allow merging and shareholding between state enterprises and private enterprises and optimize and increase the value of the assets amid the flow and mergers.

In a word, to correctly look at and understand the predominance of public ownership, it is necessary to uphold the criterion of the productive forces and adhere to the principle of seeking truth from facts, extricate ourselves from the traditional concepts, and boldly carry out reforms and explorations. The practice of reform calls for another emancipation of minds. This is a major topic in our advance to a market economy and in the building of socialism with Chinese characteristics.

Official Discusses Future of Accounting Work

OW2711133993 Beijing XINHUA in English 1304
GMT 27 Nov 93

[Text] Beijing, November 27 (XINHUA)—Deputy Minister of Finance Zhang Youcai said here today that forming public accountancy firms on a partnership basis is the direction the industry should head in.

China will allow chartered public accountants (CPA) to set up partnership firms next year. They will be legal persons and subject to no government departments, unlike the current over 2,500 CPA firms nationwide.

This is stipulated in the law on public certified accountants to be enforced as of January 1 next year.

"This will bring China's CPA industry gradually on the right track and in line with international practice," said Zhang. "As such firms assume higher risks, we should create favorable conditions for their development."

He said that the Ministry of Finance will choose some cities and regions, including Beijing, Shanghai and Guangdong, as pilot sites for the setting up of such firms first.

As partnership firms are not funded strong at the beginning, there might be some limits imposed on their business scope, said Zhang.

During China's advance to a market economy, developing the CPA sector has become a priority, he said. According to the central plan, by the year 2000 the number of CPAs will be increased to around 100,000 from the present 15,000.

To improve the management of CPA firms and ensure they are independent and fair in their business operations, they should be given total autonomy in hiring and firing, the right to choose their clients and set up their own standards of charges. They should also be responsible for their financial accounts and free to decide salaries, Zhang said.

State Sets Up Ecological Monitoring in 3 Gorges

HK2611063093 Beijing ZHONGGUO XINWEN SHE in Chinese 1341 GMT 7 Nov 93

[By reporter Liu Xiaoqing (0491 1420 7230) and correspondent Zhang Qiuming (1728 4428 2494)]

[Text] Chongqing, 7 Nov (ZHONGGUO XINWEN SHE)—The Three Gorges project on the Chang Jiang may have a great impact on the ecological environment along the river, and this issue has aroused widespread attention at home and abroad. Today, the State Environmental Protection Bureau set up a Chang Jiang and Three Gorges ecological environment monitoring network in Chongqing in order to more intensively and effectively monitor and manage the ecological environment along the Chang Jiang and in the Three Gorges area.

Wang Yangzu, deputy director of the State Environmental Protection Bureau, said at today's inauguration meeting that the establishment of such a monitoring network is a major step toward increasing and intensifying environmental monitoring in the Chang Jiang valley as a whole. The network will enable us to closely trace the ecological and environmental changes in the Chang Jiang valley while the Three Gorges project is under construction and after it has been completed and put into operation. It will promote the implementation of the measures for preventing ecological destruction and environmental pollution and will promote the restoration of the benign ecological environment.

At present, China's environmental protection institutions have set up more than 150 environmental monitoring stations along the trunk stream and tributaries of the Chang Jiang to monitor the atmospheric quality, acid rain levels, water quality, soil quality, and biological and ecological conditions. The Chang Jiang and Three Gorges ecological environment monitoring network will be developed on the basis of these existing monitoring stations. The first group of members of the network will be composed of 25 environmental monitoring stations in Chongqing, Yichang, Wuhan, and Shanghai.

Report on Resettlement of Three Gorges Population

OW2711030193 Beijing XINHUA in English 0224 GMT 27 Nov 93

[Text] Chengdu, November 27 (XINHUA)—Sichuan Province has for the past eight years carried out some trial resettlement of people who have to move because of the Three Gorges Dam Project.

This southwest China province has managed to combine this operation with improvements in the local economy of the areas to which the people were moved.

Areas to be submerged because of the Three Gorges Project lie mainly in Sichuan Province, where about 612,000 people will be affected by the huge scheme, 84.36 percent of the total to be affected.

To better manage the huge task of resettling almost one million people, the provincial government in 1985 started the trial resettlement in 15 counties and cities to be submerged, together with land exploitation and economic development in the areas to absorb the resettled.

This is a significantly different approach to past resettlements, when people displaced by reservoir schemes were usually given a lump sum to relocate themselves.

The scheme has had profitable results so far. In the past eight years there has been a total investment of 260 million yuan in opening up waste land, improving other tracts and resettling people there.

More than 6,897 hectares of land have been brought into use, including 1,853 hectares of waste land, and given to farmers, all or part of whose former land will be submerged on completion of the project.

Fuling City, near the site of the to-be-built reservoir, has readjusted its urban construction structure and basic constructions of two new counties have taken shape.

Seventy-two factories which have been moved and rebuilt remain profitable, and production and output at some even went up.

The pioneering resettlement move sponsored by Sichuan Province has not only promoted local economic development but also accumulated a wealth of experience for the large-scale population resettlement which the project entails in the coming decade.

Railroads 'To Raise' Container Freight Capacity

HK2711072293 Beijing CHINA DAILY in English 27 Nov 93 p 1

[By staff reporter Xie Yicheng: "Rails To Up the Role of Containers"]

[Text] The Ministry of Railways plans to raise its container freight volume by as much as 30 percent per year, a ministry official said.

At present, there is an annual increase in overall railway freight of 2.5 percent.

The move to increase container freight volume is being made to meet increasing demand for faster and more efficient cargo delivery.

"Only at this rate (30 percent), can we have the country's piecemeal rail freight basically containerized by the year 2000 said Cui Changduo from the ministry's Transportation Department.

Cui called the endeavour a must to lift railway efficiency and satisfy clients at home and abroad.

But implementing the scheme is hampered by inadequate containers and congested handling capacity at some railway hubs.

So the ministry is prepared to provide more investment and obtain World Bank loans for expanding its container fleet and handling facilities.

The number of major container freight yards, each capable of annually dispatching at least 500,000 tons, will also be doubled from the current 30 to about 60 by the turn of the century.

Container business will be within the reach of every railway station in a county seat by the year 2000, Cui said.

Only 400 railway stations in big and medium-sized cities now handle container freight and only 100 of them are handling foreign trade containers.

Fresh efforts are also being made to open up cross-border rail shipping of international containers.

China is buying large numbers of standard containers this year to service the Eurasian transcontinental railways via Siberia and West China.

Express container trains began to run last December from Lianyungang Port in Jiangsu Province to Alataw Pass on the border of Xinjiang, where containers can be further transhipped to Central Asia, the Middle East, and Europe.

But the current rail shipping volume is far lower than expected on the new Eurasian route, which should be an ideal shortcut to countries on the western rim of the Pacific Ocean.

Twenty-Four Cities Reach Development Targets

HK2711072593 Beijing CHINA DAILY in English 27 Nov 93 p 1

[By staff reporter: "24 Cities Reach 'Well-off' Goal"]

[Text] Twenty-four cities in the country have already achieved their overall development targets—seven years ahead of schedule. These cities, mostly located in the coastal areas, now top the rest of the nation in both living standards and cultural development, according to a recent survey by the Beijing-based Chinese Academy of Social Sciences (CASS).

The survey, conducted by a research group from the Social Research Institute of CASS, was focused on checking on the results of urban development programmes in Chinese cities. The cities all had the goal of raising their people's living standards to the level of "relatively well-off" by the year 2000—a national target proposed by senior leader Deng Xiaoping 15 years ago.

The research group conducted the survey based on information provided by the State Statistics Bureau.

They set up six index systems containing 31 criteria as a measurement. These included the level of urbanization, city construction, population quality, economic efficiency, living quality, and social stability.

The 24 cities which have been selected as having reached the target are Beijing, Shenzhen, Shanghai, Zhuhai, Guangzhou, Hangzhou, Foshan, Daqing, Xiamen, Changsha, Suzhou, Jiarigmen, Dalian, Nanjing, Tianjin, Chengdu, Kunming, Anshan, Wuhan, Jinan, Qingdao, Liuzhou, Shenyang and Wuxi.

Most are coastal cities or provincial capitals.

The result shows that Beijing, Shanghai and Changsha topped the others in the cultural category, while Shenzhen, Zhuhai and Foshan lead in economic efficiency and living standards.

The social order and stability in Hangzhou, Suzhou, and Anshan are rated as better than the other cities.

However, while the overall development of all 24 cities was largely harmonious, they were not balanced in all aspects, according to Zhu Qingfang, the scientist in charge of the research group.

Economic efficiency and living quality are higher in Shenzhen, Zhuhai, Guangzhou, Jiangmen, Foshan and Xiamen, which, however, lag behind the others in the fields of population quality, social order and stability, Zhu noted.

Ministry Forecasts 1994 Iron, Steel Production

HK2711083893 Beijing ZHONGGUO XINWEN SHE in English 0950 GMT 26 Nov 93

[Text] Beijing, November 26 (CNS)—China will have a number of new blast furnaces going into operation in late 1993 or early 1994, according to the Ministry of Metallurgical Industry with steel output by that time amounting to 11 million tonnes. Industry sources said that as the newly increased steelmaking capacity was still not sufficient for this and next year, the increased production of steel set for 1994 mainly depended on the existing steelmaking equipment.

The trend for the iron and steel market for 1994 will be summed up as follows. First, judging from the production gain made by key iron and steel enterprises and local backbone and steel enterprises, the output of iron will still outstrip that of steel next year. As the turnout of pig iron is greater this year, such material will be in rich supply next year.

Second, despite the stockpiling of coal remaining at a great volume, its true price is not yet being really reflected. Coal prices will see a gradual climb in 1994 when it opens to the market. As a result, the price for coke will consequently go up.

As domestic ore resources are insufficient, resulting in increased imports to meet the demand, the handling capacity of port facilities will suffer further strains. Production costs facing enterprises will increase to a great extent for this reason in addition to the adjustment of interest rates and other factors. Steel prices will therefore not show any sharp decrease.

Third, a mandatory plan for key iron and steel enterprises for 1994 will shrink to some extent when compared with that set for this year. Such a plan will be restricted to a small scale for particular departments and projects. The reduction of the mandatory plan required of key enterprises and the further opening of prices to the market will be factors responsible for rising prices for steel next year.

Rare Earth Producers Jointly Set Export Prices

OW3011104193 Beijing XINHUA in English 0941 GMT 30 Nov 93

[Text] Beijing, November 30 (XINHUA)—Chinese rare earth producers and exporters, battered by fierce price competition, have agreed to adopt uniform prices for exports as of the beginning of 1994.

A trade cartel in the sector was set up in Beijing recently. Participants agreed to end a several-year-long price war and set minimum prices for their products.

Producers and exporters have drastically lowered prices to win foreign orders in the past few years, making the trade barely profitable. The price war has caused great losses to the country's intake of foreign exchange.

China is the largest rare earth producer in the world. It mainly exports to the United States, Japan and Europe.

Thirteen major rare earth producers and foreign trade companies held a joint meeting recently in Beijing, and decided on price floors for rare earth products. They decided that from next year, prices will be set in contracts signed by enterprises in the association. All participants will act on the principle of mutual benefit and common development.

Report on 'Exploitation' of Dongsheng Coal Field

OW2711133593 Beijing XINHUA in English 1237 GMT 27 Nov 93

[Text] Hohhot, November 27 (XINHUA)—The exploitation of a special large coalfield in southwest Inner Mongolia Autonomous Region is in full swing.

The first phase of the project cost 723 million yuan. The coalfield has produced 7.5 million tons of coal and sold the coal to more than 20 provinces and regions, as well as nine countries.

The Dongsheng coalfield is located in the valley of the Yellow River, China's second largest, and borders on Shaanxi Province. It covers 12,860 square kilometers with verified coal reserves totalling 100.6 billion tons.

A local official said that five mines, each with a production capacity of 300,000 tons, have gone into operation and more are still being opened up.

According to the official, infrastructure and living and service facilities are being built alongside the coalfield development.

Anhui Publishes Trial Edition of Financial Paper

OW2911015393 Hefei ANHUI RIBAO in Chinese 16 Nov 93 p 4

[Text] A trial edition of the Bank of China's INTERNATIONAL FINANCIAL INFORMATION [guo ji jin rong xin xi bao, 0948 7139 6855 5816 0207 1873 1032.] has been published by the bank's Anhui Branch. The newspaper will be formally distributed across the country beginning January 1994. The newspaper was formerly called ZHONG YIN BAO [BANK OF CHINA NEWS]. Along with the name-change, the newspaper has expanded its coverage, focusing on reporting happenings in international financial circles as well as major economic news at home and abroad. The newspaper will use Reuters, the China Economic Information Network, and other satellite channels to collect and select items, and publish a large volume of up-to-date information.

Sichuan Hosts Forum on Marketing Farm Products

OW0112074593 Beijing XINHUA in English 0722 GMT 1 Dec 93

[Text] Chengdu, December 1 (XINHUA)—The circulation of China's farm products is shifting from the traditional closed and regional markets to a unified national market, facilitating the establishment of a socialist market economy.

That view was aired during an international symposium on China's wholesale markets for farm products held in Chengdu, the capital of Southwest China's Sichuan Province, in late November.

Experts attending the symposium agreed that a new market system, which allows nationwide wholesale markets and local free markets to coordinate and complement one another, has taken initial shape nationwide.

According to participants, the country now has a total of 72,000 farmers' markets and some 1,800 farm products wholesale markets.

Production and consumption of vegetables, fruits, aquatic products, meat, eggs and other farm and sideline products are regulated entirely by market forces, while about 60 percent of grain is also market-regulated.

The State Council, China's highest governing body, decided in 1990 to loan 200 million yuan (about 34.5

million U.S. dollars) to help establish 140 vegetable wholesale markets in major production bases and cities across the country.

Following the State Council decision, the former Ministry of Commerce and the Henan Provincial Government joined hands in establishing the country's first wheat wholesale market in Zhengzhou, the capital of central Henan Province.

Since then, wholesale markets for agricultural and sideline products have mushroomed nationwide.

The establishment of a more mature market structure has made it possible for large numbers of farmers to join the circulation network by setting up organizations specializing in grain transportation and marketing.

Farmers throughout the country have set up 1.2 million cooperatives, mostly engaged in circulation.

Participants agreed that a well-developed nationwide market system would promote the development and circulation of various resources between different parts of the country and between China and other countries.

Rural Bank Savings Increase by 100 Billion Yuan

OW3011104093 Beijing XINHUA in English 0931 GMT 30 Nov 93

[Text] Beijing, November 30 (XINHUA)—China's rural bank savings increased by 117.4 billion yuan during the first 11 months of this year, the Agricultural Bank of China (ABC) reported here today.

The increase brings total private deposits in the bank and in rural credit cooperatives to 601.8 billion yuan.

1993 saw rural individual savings grow at a record pace. The total increase between January and November shows a rise of 29.2 billion yuan over the figure for the same period of last year, said ABC's president Ma Yongwei.

He attributed the fast growth to a ban on illegal fund-raising activities, rises in interest rates and the increased income brought about by the booming economy.

As a result, Ma said, the capital shortage in rural development has been eased "to a certain extent".

The bank's reserves against deposits are up 6 percentage points to stand at 14 percent now. Loans expended by the bank for agricultural production, rural industry and the purchase of farm products this year increased by 34 billion, 45.6 billion and 19.5 billion yuan respectively.

The increased savings have also provided sufficient purchasing funds for farm products.

No "IOU" notes have been issued for the state purchase of summer and autumn grain, noted Ma.

Wholesale Prices for Grain Increase

HK2711083693 Beijing ZHONGGUO XINWEN SHE in English 0402 GMT 27 Nov 93

[Text] Beijing, November 27 (CNS)—Wholesale prices for grain in China have risen over those of last year.

The average wholesale price for wheat, rice, corn and soya beans in October this year was RMB [renminbi] 1,201 per tonne, 14.71 percent up over the same period last year. The main reason for this is the nationwide price adjustment and the great demand for grain for fodder.

In the near future, comparatively big changes will be seen in domestic wheat market, the main reasons being first, that since the beginning of last year, the amount of wheat imported has been reduced. Second, there is not sufficient grain stored at pre-negotiated prices. Third, state allowances are not being given for imported wheat and regions which were formerly dependent on imported wheat will have to rely on domestically-produced wheat. Fourth, the sowing of grain in a number of main production areas has been insufficient and this will affect next year's harvest. Fifth, the state will raise prices for certain agricultural by-products.

The price for rice will continue to rise because, first, the area under rice cultivation has in recent years been greatly reduced. Second, demand is increasing. Third, the international price of rice has risen.

As for corn, supply and demand have trended to balance each other, but there will be a rise in price.

The price for soya bean this winter and the coming spring is expected to remain at between RMB 1,900 and RMB 2,000 per tonne.

East Region

Anhui Secretary on Understanding Deng's Works

OW2911145093 Hefei ANHUI RIBAO in Chinese 10
Nov 93 pp 1, 3

[Article by Lu Rongjing: "Stepping Up the Pace of Achieving a Fairly Comfortable Standard of Living Rural Areas Constitutes an Urgent Task in Realizing the Party's Political Goal—Understanding Gained in Studying Volume 3 of *Selected Works of Deng Xiaoping*; first paragraph is ANHUI RIBAO editorial note]

[Text] Recently, provincial party committee Secretary Lu Rongjing attended a class, sponsored by the party Central Committee, for principal leaders of the provincial and ministerial level to study the theories contained in Volume 3 of *Selected Works of Deng Xiaoping*. The following is an article written by Lu Rongjing at the study class in which he discusses his understanding gained in studying the selected works.

In the final analysis, the aim of socialism is the emancipation and development of productive forces, the extermination of exploitation, and the elimination of polarization, all of which are for the final realization of common prosperity. These are the essential characteristics and fundamental tasks of socialism. With regard to its development strategy, our country aims to achieve basic modernization in three steps. The first step is solving the problem of food and clothing for the people by doubling the GNP on the basis of the 1980 figure. This mission has been basically realized. The second step is to bring about a fairly comfortable standard of living for the people by again doubling the GNP by the end of this century. The third step is to basically achieve modernization by the middle of the next century by raising the per capita GNP to the level of moderately developed countries and bringing about a fairly prosperous standard of living for the people.

Realizing a fairly comfortable standard of living in China by the end of this century constitutes the present-stage political goal set by the party, and is also a matter of principle proposed by Comrade Deng Xiaoping after the Third Plenary Session of the 11th CPC Central Committee called for shifting the focus of the work of the whole party to economic construction. Comrade Deng Xiaoping said: "We have set a political goal: Quadrupling the GNP by the end of this century by developing production....to achieve a fairly comfortable standard of living for the people." This goal, ambitious and bold, is a magnificent one. How can this goal be realized? An important point, which Comrade Xiaoping has repeatedly emphasized, is proceeding from China's reality, first of all beginning with the countryside. He said: "In China 80 percent of the population reside in the countryside. In China, social stability and economic development depend, first of all, on the development in the countryside and on the improvement of the peasants' living standard. Quadrupling the GNP depends, first of all, on

the attainment of this goal by 80 percent of the population in the countryside. He also pointed out: "Urban areas may have scored magnificent successes. Without a stabilized countryside as a foundation, they cannot go very far." If the countryside is not stabilized, it means the entire political situation is not stabilized. If the peasants remain impoverished, it means our country has not freed itself from poverty. "Therefore, we must first solve the issues in the countryside, invigorate the economy there, and implement the open policy there to enhance the enthusiasm of 80 percent of the population there." Anhui is a large agricultural province. The proportion of its agriculture and farming population is predominantly large. His series of instructions have touched our hearts, and we have deepened our standing after studying them.

In 1979 our province introduced the household contract responsibility system with remuneration linked to output ahead of the rest of the country, thus greatly enhancing the peasants' enthusiasm about production, emancipating and developing the productive forces in the countryside, and basically solving the problem of food and clothing for the peasants. Moreover, some of them are now advancing on the road of achieving a fairly comfortable standard of living. However—speaking of the entire province—84 percent of its population still resides in the countryside. As a whole, the economic standard in the countryside is still rather low, and the goal of achieving a fairly comfortable standard of living is still far away. Even the living standard in the areas which have become prosperous ahead of other areas is still not high enough. We are aware that it will be impossible to provide a material foundation that satisfies the needs of industry if agriculture develops at a slow pace; that the development of the national economy as a whole will be hampered by a slow increase in the income of peasants, a stagnated development of the rural markets, and failure to increase purchasing power; and that it will be useless to talk about a fairly comfortable standard of living in the province if this goal is not realized in the countryside first. Therefore, attaching great importance to issues concerning rural areas, agriculture, and the peasants and accelerating the pace of reform and construction in the countryside constitute an urgent task for realizing the political goal of the party. We should all the more pay great attention to these issues in the current situation in which industry and the service trades are developing fairly rapidly with better economic results. This is because they have a bearing on whether the economy of our province can develop in a sustained, rapid, and healthy manner and whether the strategic objectives set by the province's Eighth Five-Year Plan and 10-Year Development Program can be fulfilled on schedule or overfulfilled ahead of schedule.

Comrade Xiaoping's incisive and profound expositions on achieving a fairly comfortable life that we can read from many of the articles incorporated in Volume 3 of *Selected Works of Deng Xiaoping* have far-reaching significance, and are a powerful impetus in guiding and expediting our work of building moderately affluent

rural areas. Anhui's actual performance tells us that, to carry out Comrade Xiaoping's strategic thinking on enabling rural areas to lead a relatively comfortable life, we should do a good job in the following areas:

1. We must draw up clear-cut objectives for rural areas to achieve a fairly comfortable life. In accordance with Comrade Xiaoping's expositions on achieving a fairly comfortable life, the Eighth Plenary Session of the 13th CPC Central Committee set this general goal for agriculture and rural work during the 1990's: On the basis of developing production, the vast number of peasants will have resolved their basic food and clothing problems and will be able to lead a fairly comfortable life, a life in which their material life will gradually become ample, their spiritual life is full, their living environment has been improved, their health is better, public services have developed, and public order is good. This is a comprehensive goal involving all aspects of rural work, and it cannot be achieved without careful planning and concrete measures. The investigation we have conducted at grass-roots units shows that, even though we have underscored on many occasions the need to help rural areas achieve a fairly comfortable life, many comrades' understanding of the issue is still quite simplistically one-sided. They often pay attention to making higher incomes, or a better material life, but ignore the spiritual side. When asked what constitutes a fairly comfortable life, some grass-roots cadres even said that it means having four dishes and soup for a meal. Of course there are many places where the people understand Comrade Xiaoping's instruction and the Central Committee's guidelines very well, their thinking of development is clear, and their plans, requirements, and measures for achieving a fairly comfortable life are specific and practical, and so their successes are quite noticeable. To do an even better job in organizing and guiding Anhui's rural areas to achieve a fairly comfortable life, the Ninth Plenary Session of the fifth provincial party committee held last April discussed and drew up the "Standards of a Fairly Comfortable Life in Anhui" to quantify the goal. Specific criteria for a fairly comfortable life were set for the province and for counties, townships, villages, and households. According to the criteria, by the end of the Eighth Five-Year Plan period, each and every locality should have a substantial number of rural households able to lead a fairly comfortable life, and that by the end of this century, at least 80 percent of rural households in Anhui should be able to lead a fairly comfortable life. By the end of next year, Anhui will have completed the project of establishing 2,000 demonstrative villages of moderate affluence—a project started this year. In the mean time, the drive of achieving a fairly comfortable life has become the focus of rural work in all localities. All counties, townships, villages, and households have now been categorized and graded according to their situations and natures and given assignments of achieving a fairly comfortable life at various stages, including setting up demonstrative units. Thus the drive

of achieving a fairly comfortable life has become a powerful force, expediting rural work and economic development in rural areas.

2. Faster development of township and town enterprises is essential for rural areas to achieve a fairly comfortable life. At a meeting with Korosec, a member of the Yugoslav Communist League Central Committee Presidium, on 12 June 1987, Comrade Xiaoping said: "Our reform and opening up started in the economic sector, and primarily in rural areas." "On the whole, the development of our rural reform is quite fast. The peasants' initiative has been aroused. Our greatest success, which we never anticipated, is the development of township and town enterprises. All kinds of business operations, commercial economic undertakings, and small businesses have cropped up all of a sudden." "The development of township and town enterprises, especially industrial enterprises and other trades, has solved the job problems of 50 percent of the rural areas' surplus manpower. Instead of swarming into the cities, the surplus labor has helped build a large number of small and new townships and towns." Just as Comrade Xiaoping predicted, the development of township and town enterprises in Anhui have moved quickly in recent years—thanks to the guidance provided by the central authorities' revitalization policy—even though we had a late start and the foundation was weak. Businesses operated by one or several households, by villages, and by towns have gradually developed into fair-sized joint-stock cooperative economies and small industrial zones. While playing the main roles in helping peasants increase their income and lead a fairly comfortable life, these economies and zones also serve as important carriers for moving manpower in rural areas. In 1992, Anhui had a total of 898,000 township and town enterprises. The value of these enterprises' fixed assets reached 12.87 billion yuan, they employed 5.35 million people, and their total output value reached 58 billion yuan—including 34.8 billion yuan of industrial output value, or 36 percent of Anhui's industrial output value. While improving their economic performance, these enterprises have maintained a relatively high growth this year. It is expected that their total output value will exceed 100 billion yuan this year. If this speed of growth is maintained, the output value yielded by township and town enterprises will soon account for half of Anhui's total industrial output value. These enterprises really have come to the fore as a new force. On the whole, however, the industrial structure of Anhui's rural areas remains one of solving basic food and clothing problems. In most areas, agriculture still plays the dominant economic role in rural areas, and the peasants still depend primarily on agricultural production for their income. Since agriculture is a fragile industry having to bear natural and market risks, increasing incomes by counting on nothing but agriculture is a slow and precarious process. According to the standards set for a fairly comfortable life, over a period of seven years or so, the peasants' per capita income should increase to 1,100 yuan from 575 yuan today, or 70 yuan annually on the

average. If commodity prices increase six percent annually, the peasants' per capita income by the year 2000 should reach 1,700 yuan, or approximately 140 yuan monthly, based on the commodity prices in that year. Evidently such growth cannot possibly be achieved by counting on agriculture alone. Therefore, we must make great efforts to develop township and town enterprises and "proceed on all four wheels." This means we must undertake whatever business we can—and do so as quickly as possible—and act firmly no matter what difficulties we may encounter. We must understand this requirement from the level of achieving the party's political goal and not merely from an economic angle. Township and town enterprises should become one of the many pillars supporting economic development and also a main source of peasants' higher income. This is particularly necessary for Anhui, a major agricultural province in Central China. The experiences many localities in Anhui have gained fully prove this is an indispensable and practical way which has enormous potential. For example: Since 1984, Tongcheng County has been regarding the development of township and town enterprises as a main project to revitalize its economic development and create an affluent county. In 1992, 41 percent of the county's workers were engaged in agricultural production and 51 percent of the workers were engaged in secondary and tertiary industries, and the peasants received 69 percent of their total income from nonagricultural sectors. It is estimated that they will receive close to 80 percent of their income from nonagricultural sectors this year. We believe that, as township and town enterprises continue to develop, the peasants will receive an increasingly higher percentage of their income from these enterprises. In fact, peasants in rural areas will not be able to lead a fairly comfortable life if this is not the case. **3. Guiding peasants to enter the market is an urgent requirement to realize the goal of enabling people to lead a fairly comfortable life in the rural areas.** Comrade Deng Xiaoping pointed out that, to quadruple the output value of agriculture, we cannot just rely on grain production and must depend on diversified operations. How can people in the rural areas have great hopes if they are always confined to small plots of land? Shifting large numbers of the rural labor force to new towns and medium and small enterprises is a necessary road. How shall we guide peasants to enter the market? Based on our experience and understanding, the most fundamental thing is to properly allocate natural resources and the labor force to meet the need of the development of a market economy. This province has abundant natural resources and labor forces. We can properly and quickly tap the great potential of natural resources and the labor force through the establishment of a market economic structure. In properly allocating natural resources in rural areas, we should keep to the viewpoint of establishing large-scale farms, guide peasants to extricate themselves from the circle of solely relying on grain production and farmland, and pay attention to comprehensive development of all resources. Agriculture is the foundation for the development of the national economy, and the development of

market-oriented agriculture is an important foundation for enabling peasants to lead a fairly comfortable life. Therefore, while stepping up the development of village and town enterprises, we should strengthen the comprehensive development and utilization of all agricultural resources and pay attention to economic efficiency and market trends. We should open up "barren and wasteland" and improve medium and low yield land; increase economic efficiency of agricultural production by integrating agriculture with industry and trade and developing animal husbandry, processing work and export-oriented production; and promote the development of agriculture, forestry, animal husbandry, fishery and side occupation in an all-around way. In this way, we can promote the development of agriculture with high quality, high yield, and high efficiency and increase peasants' income through various channels. This is an important and necessary way to realizing the goal of enabling peasants to lead a fairly comfortable life. We should pay attention to the market trend in growing crops, forestry, fruit production, animal husbandry and fishery. We should improve the production structure and make prompt adjustments according to the change of market situation to meet the need of developing the national economy and raising the people's living standard. In the mean time, we should further open up markets of agricultural sideline products for peasants, and let peasants take part in the field of distribution.

The labor force is the most active and important factor in production. Under the conditions of a socialist market economy, how to properly allocate labor and further liberate and develop rural productive forces according to market mechanisms and the law of value will be an important subject for a relatively long period in the future. In particular, whether we can smoothly shift large numbers of surplus laborers from the rural areas to other sectors or not is an important strategic task which concerns whether we can realize the goal of enabling the rural population to lead a fairly comfortable life by the end of this century or not. Therefore, we have started a large-scale investigation and study throughout the province and are actively studying and formulating policy and measures for speeding up the shift of the labor force in rural areas. At present, we are far from adequate in fully utilizing rural labor forces in this province and there is a serious waste of manpower. In 1992, the labor force in this province numbered 24.32 million. Of which 19.92 million people were engaged in agricultural production, accounting for 82 percent of all labor forces in the province, and of the 19.92 million people, 94 percent were engaged in growing crops. It is estimated that by the year 2000, the labor force in this province will reach 28.13 million, and the number of surplus laborers will reach 11.5 million. If we cannot reasonably and orderly resettle this huge amount of surplus labor force by promoting agriculture production, village and town enterprises, tertiary industry, export of laborers and their absorption by small towns, it will be a great waste of labor resources and may create a factor of instability in society. Therefore, we must consider this work an urgent

task and place it in an important position. We should change the structure of segregation between cities and rural areas, and establish a unified and open labor force covering both urban and rural areas. We should allow peasants to enter cities and towns to engage in industrial production or do business, and allow them to run enterprises and develop tertiary industry. We should take high quality, high yield, and highly efficient agriculture in rural areas as the foundation, set up village and town enterprises, and develop tertiary industry, especially distribution and marketing. The primary, secondary and tertiary industries should develop in coordination to promote an economic development pattern with a virtuous cycle. We should do our best to turn our advantage of natural resources and labor forces into advantages in developing a market economy. By the end of this century, we should achieve the goal of having each rural family cultivate one mu of high yield economic crops and having each rural family shift one laborer to other sectors. In this way, we will have a reliable guarantee for enabling peasants to lead a fairly comfortable life.

4. Relying on the progress of science and technology is an effective way to realize the goal of enabling people to lead a fairly comfortable life. To realize the goal of enabling people in the rural areas to lead a fairly comfortable life, the fundamental way out is to raise the productivity of labor forces. To raise productivity, the key lies in utilizing science and technology. We should turn science and technology into productive forces through the work of laborers, their tools, and industries in which they are engaged. Marxism always held that science is a revolutionary force which can promote development in history and is also the principal factor of the three main factors of production. As early as 1975, when Comrade Deng Xiaoping was in charge of the rectification work on various fronts, he drafted the "Outline of a Report on the Work of the Chinese Academy of Sciences" and pointed out that "science and technology constitute a primary productive force" based on the Marxist viewpoint that "productive forces also include science" in light of the damage to the economy and scientific and technical work by the "Great Cultural Revolution." In 1988, he further pointed out in a talk: "Marx had said that science and technology are productive forces. It was very correct. Now it appears this statement is probably not enough. Science and technology probably constitute a productive force. Comrade Deng Xiaoping's thesis on 'science and technology being a primary productive force' has inherited and carried forward Marxism, and is a new summation of Marxist theory on productive forces. Penetratingly understanding and correctly using this new theory and viewpoint is of great guiding significance to us in further invigorating agriculture and the rural economy and promoting the realization of the goal of enabling people to lead a fairly comfortable life in the 1990's.

In developing agriculture, generally speaking, it requires good policy, input, and science. To give full play to the results of policy and input, we must pay attention to and rely on science and technology. Comrade Deng Xiaoping pointed out: "The way out for agricultural problems will

eventually be solved by bioengineering and advanced technology." In fact, since the founding of New China, especially in the past more than 10 years since the beginning of reform and opening up, the promotion and application of advanced science and technology have greatly contributed to the increase in output and rise of quality in the production of grain, cotton, oil-bearing crops and other agricultural products. Had we not effectively promoted and applied the fruitful achievements of agricultural science and technology, we would not have achieved a level and situation in agricultural production today. However, we should also see that there are still great potentials in developing science and technology and the task is quite arduous. On the one hand, there are still many agricultural scientific and technical achievements which have not been popularized and utilized; on the other hand, to quicken the pace of agricultural modernization, we must popularize and make more agricultural scientific and technical achievements. We must strive to raise the rate of contributions to agricultural production and the development of the rural economy by science and technology. According to estimates by experts, the rate of contributions to increasing agricultural production by science and technology in our country only account for 30-40 percent, while the rate in developed countries reached more than 70 percent. The gap is still very big. Through hard efforts, it is possible to increase the rate of contributions of science and technology to increasing agricultural production by 10 percent within a short period. According to the existing production level and costs in growing rice, the net income per mu of regular rice is only about 80-100 yuan; but the net income per mu of fine quality rice may reach 500 yuan, increasing by five times. By the end of the "Eighth Five-Year Plan" period, the total acreage of fine quality rice in this province will increase from 5.5 million mu at present to 14 million mu. The benefit from this item alone is quite big. It will not only help peasants increase their income but also satisfy the need in grain consumption for people to lead a fairly comfortable life under the situation of constant decreasing of acreage of tillable land and constantly increasing population. Therefore, "the development and role of science and technology are unlimited. Each strain of seeds, each kind of fertilizer, and diversified operations can have a great potential."

The growth of peasants' incomes is determined by the extent rural resources have been developed, and the extent of the development of rural resources is determined primarily by the extent intellectual resources in rural areas have been developed. Currently, 15 percent of Anhui's young people and adults between 30 and 50 are either illiterate or semilliterate, close to 30 percent of primary school pupils are unable to study in junior middle schools, 70 percent of junior middle school students are unable to study in senior middle schools, and most of the laborers are primary school-educated and illiterate or semilliterate. Moreover, among 10,000 peasants, only an insignificant percentage of them are agricultural scientists and technicians, and most of the

peasants are poorly prepared for learning or applying science and technology. Such a situation is quite incongruous with the peasants' pressing need to have a fairly comfortable life. Facts have proved that revitalization of the rural economy will eventually be determined by scientific and technical advancement and the extensive application of science and technology, that proficient personnel are the key to scientific and technological development, and that education is the key to the training of proficient personnel. In his talk "Respect Knowledge, Respect Proficient Personnel," Comrade Xiaoping clearly points out: "Scientific and technological development will not be possible if we do not pay attention to education." To promote rural areas' economic development and enable peasants there to lead a fairly comfortable life, we must speed up educational reform in rural areas, restructure their educational system, and, while making great efforts to develop ordinary education, make positive efforts to develop vocational and technical education and adult education. At the same time, while speeding up the pace of broadening agricultural, scientific, and academic education, we must make efforts to help grass-roots cadres, technicians, and peasants in rural areas become more knowledgeable in science, academic subjects, and economic affairs. This is an urgent issue. As far as leading cadres are concerned, they are not good leaders if they attend only to agriculture for agriculture's sake but ignore science, technology, and education. We must bring all industries in rural areas and all agricultural links onto the track of counting on scientific and technological advancement and achieving higher economic performance so that we can substantially increase the efficiency of using resources, labor productivity, and the input-output rates and enable the peasants to have higher incomes through higher production.

5. Proceeding with material and spiritual construction at the same time is an important way to guarantee rural areas to have a fairly comfortable life. Socialist ethics under the guidance of Comrade Xiaoping's theory of building socialism with Chinese characteristics are an important feature of our socialist society. Socialism with Chinese characteristics is one in which both material and spiritual constructions are successful. Spiritual construction must focus on economic construction so that it can provide a powerful spiritual force and the intellectual support for economic construction as well as for reform and opening up.

Comrade Xiaoping said: "To achieve the four modernizations, we must attend to law enforcement while engaging in construction, and we must crack down on all sorts of crime while proceeding with reform and opening up." This is the fundamental guideline which China has been following over the past decade or so while promoting reform, opening up, and economic construction; and our work has proved that this is an entirely correct guideline. The goal to lead a fairly comfortable life is a comprehensive one. To achieve this goal, rural areas must have full-fledged economic, political, educational, and social development. Not only does it mean that the

rural areas' productive forces must reach a higher level, but it also means that rural areas must become more civilized; not only does it mean that the peasants' material life has been improved noticeably, but it also means that their spiritual life will be even fuller; not only does it mean that peasants' buying power will be noticeably stronger, but it also means that rural areas will have an even better social security system; and not only does it mean that total supply and demand in rural areas will reach a certain level, but it also means that population growth there will be effectively controlled. If a fairly comfortable life in rural areas is merely understood as higher economic targets or better material life, this understanding is one-sided. If we pay attention only to improving our material life and ignore spiritual construction while striving to have a fairly comfortable life, rural areas can hardly achieve the goal of having a fairly comfortable life. Thus, we must proceed with material and spiritual construction at the same time. To intensify spiritual construction in rural areas, the key lies in educating the peasants. We must help them become more knowledgeable in science and academic subjects, do away with outmoded thinking and habits, be more aware of the modern way of life, and take part in healthy cultural activities so that rural areas' economic development and social progress can be promoted with results achieved in spiritual construction. The current situation in rural areas shows that the mission of intensifying spiritual construction while engaging in material construction is a formidable and complex project. The key lies in stronger grass-roots organizations. This is because grass-roots organizations shoulder the heavy responsibility of directly organizing and leading the vast number of peasants to achieve a fairly comfortable life. If we fail to build stronger grass-roots organizations, intensifying spiritual construction in rural areas will not be possible. We have paid special attention to this work all these years. We have consolidated and strengthened a number of inactive and semi-inactive grass-roots party organizations to bring the core role of party branches into better play. This is essential to strengthening party leadership over agriculture and rural work; to deepening rural reform, developing rural economy, and guiding peasants onto the socialist road; to further cementing ties between the party and the masses and between the cadres and the masses; to stabilizing the general situation in the countryside; to meeting the needs of developing a socialist market economy; and to ensuring the attainment of the goal of achieving a relatively comfortable standard of living in the countryside. We have always believed that the vast numbers of grass-roots cadres, who are in the spotlight for all kinds of problems related to rural work, shoulder a heavy responsibility and workload and they have to endure even unjustified criticism. The leadership at the higher level should show concern for their hardships, understand their problems, and cherish them to protect and arouse their initiatives. At the same time, we must also realize that there are indeed substandard grass-roots cadres who are weak in their mass viewpoints and sense of legality. This has affected relations between the party and the masses and between the cadres and the

masses, and it has even led to incidents of serious consequences. In light of this, we must make constant efforts to educate and train grass-roots cadres, paying particular attention to educating them in the party's goal, party discipline, and the law. We must enhance their mass viewpoints and sense of policy and legality, improve their skills in law enforcement, encourage them to work hard and boldly forge ahead to serve as pacesetters and leaders in rural reform and economic development and play their due role in leading the vast numbers of peasants to achieve common prosperity, helping achieve a relatively comfortable standard of living in the countryside, and accomplishing the party's political goal.

Zhejiang Secretary on Studying Deng's Works

OW2811133593 Hangzhou ZHEJIANG RIBAO in Chinese 8 Nov 93 pp 1, 4

["The Eighth Provincial Party Committee Holds 11th Enlarged Plenary Session on Studying Volume 3 of *Selected Works of Deng Xiaoping*; Li Zemin Gives a Mobilization Speech; Wan Xueyuan Chairs the Meeting"]

[Excerpts] The Eighth Zhejiang Provincial CPC Committee held its 11th enlarged plenary session in Hangzhou on 7 November. Provincial party committee Secretary Li Zemin gave a speech on studying Volume 3 of *Selected Works of Deng Xiaoping* at the meeting, which was chaired by Wan Xueyuan, deputy secretary of the provincial party committee and governor of Zhejiang Province.

Li Zemin said: The publication of Volume 3 of *Selected Works of Deng Xiaoping* is an important political event of the party and the state. [passage omitted] The political significance of the publication of Volume 3 of *Selected Works of Deng Xiaoping* lies in the fact that this book has incorporated Comrade Xiaoping's latest and most important works to which Comrade Xiaoping attaches the greatest importance. The book was compiled and edited under Comrade Xiaoping's personal guidance. Comrade Xiaoping himself examined and approved the drafts of all the articles one by one. [passage omitted]

Li Zemin said: While studying Volume 3 of *Selected Works of Deng Xiaoping*, we must, as instructed by the party Central Committee's decision, keep in mind the current situation and tasks, and firmly adhere to and thoroughly understand the party's ideological line, the essence of socialism and the party's basic line, the party's three-step strategy, the basic policy of proceeding with material and spiritual construction at the same time, and the patriotic spirit of the basic policy. We must study Comrade Deng Xiaoping's strategic thinking and theoretical viewpoints along with his scientific approach and creative spirit. We must focus on three issues.

First, we must underscore the theme of building socialism with Chinese characteristics—a theme which Volume 3 of *Selected Works of Deng Xiaoping* has repeatedly underscored. Experience shows that to

uphold socialism, we must clearly understand the fundamental theoretical issue of what is socialism and how to build socialism. The tortuous course and mistakes that China had followed and made prior to the adoption of the reform and opening-up policy were, in the final analysis, due to our failure to fully understand this issue. The evidence of our hesitation, worries, and bewilderment while carrying out reform and opening up were also due to this problem. The misconceptions in this regard included: First, we did not have a clear idea of the developmental stage of socialism. When our productive forces were still at a very low level, we tried to achieve what Marx and Lenin had anticipated would be achieved during the stage when socialism matures. This created the "leftist" policy which jumped stages. Second, we mixed up the basic socialist orientation and system with the specific socialist course and pattern. We thought that following the socialist course meant following the traditional socialist pattern, and we even regarded certain defects in the traditional pattern as the strengths of socialism and thought that we would deviate from the socialist course if we ever removed these defects. Third, we considered the highly centralized planned economy as one basic characteristic of socialism and equated the market economy with capitalism. Fourth, we considered class struggle to be the principal contradiction during the socialist period and to be the power of socialist development. That ossified China's economic and political systems and seriously restricted the development of social productive forces. In view of these misconceptions, Comrade Xiaoping presented a series of extremely important theoretical observations. [passage omitted]

Second, we must firmly adhere to the party's basic line without wavering for 100 years. [passage omitted] The key to adhering to the party's basic line without wavering for 100 years lies in firmly focusing on economic construction and not buffeting economic construction with any excuse. To achieve better and faster economic development, we must persist in carrying out reform and opening up to the outside world, seek development through reform, and strive to integrate development and reform more closely. Reform is now at the crucial stage. Many major reform measures will be introduced early next year, the deepening of reform in various fields will give rise to many new situations and issues, and we will encounter many new economic problems. But our determination to reform and open up to the outside world must by no means waver. [passage omitted]

Third, we must firmly follow the ideological line of emancipating our minds and seeking truth from facts. [passage omitted] We must insist on doing everything according to actual needs and respect the masses' work and initiative. Guided by Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics, we must dare to blaze trails, try, and explore. We must promptly sum up our experience, and use actual results to examine our performance. We must solve our problems, do our work, and make our decisions on the basis of the interests and wishes of the vast number of the masses. [passage omitted]

During the enlarged plenary session, the provincial party committee also solicited the views of those in attendance about personnel to be appointed to the ninth provincial party committee and its disciplinary inspection commission. [passage omitted]

Zhejiang Party Circular on Deng's Works

OW2911133393 Hangzhou ZHEJIANG RIBAO in Chinese 8 Nov 93 p 1

["Circular of the Zhejiang Provincial CPC Committee on Earnestly Studying Volume 3 of *Selected Works of Deng Xiaoping*"; issued on 6 November]

[Text] The publication and distribution of Volume 3 of *Selected Works of Deng Xiaoping* on 2 November was a major event in the party and state's political life. The CPC Central Committee has made a decision on studying the book and has ceremoniously held a report meeting where Comrade Jiang Zemin made an important speech. Party organizations at all levels in the province must make earnest efforts to follow the CPC Central Committee decision and the guidelines of Comrade Jiang Zemin's speech and attach great importance to and seriously carry out this major task of studying Volume 3 of *Selected Works of Deng Xiaoping*.

Comrade Deng Xiaoping is the general architect of China's socialist reform, opening up, and modernization and the founder of the theory of building socialism with Chinese characteristics—the Marxism of contemporary China. Volume 3 of *Selected Works of Deng Xiaoping*, which follows Volume 2 published 10 years ago, incorporates Comrade Deng Xiaoping's important works between 1982 and 1992. It is the collection of his most important works in the course of forming and developing the theory of building socialism with Chinese characteristics; the theoretical summary of his rich experience in leading us to push forward reform, opening up, and socialist modernization; a scientific guide to continue our victorious advance; and the best teaching material and the most powerful weapon to accomplish the strategic task of arming the entire party with the theory of building socialism with Chinese characteristics, unifying the thinking of the entire party, and educating cadres and the people. Earnestly organizing all party members and cadres in the province, particularly leading cadres at and above the county (department) level, to study well Volume 3 of *Selected Works of Deng Xiaoping* is vitally important to unifying the thinking of the entire party, recognizing the general situation, enhancing our faith, upholding the party's basic theory and line without wavering, and uniting all party members, cadres, and the masses of people in their efforts to accelerate reform and opening up; promote sustained, rapid, and healthy development of the economy; and advance the material and spiritual civilization in all fields.

In studying Volume 3, it is necessary to firmly grasp and profoundly understand the ideological line of emancipating the mind and seeking truth from facts; the scientific thesis on the essence of socialism and the party's

basic line of "one center, two basic points"; the strategic task of seizing the opportunity to develop ourselves and basically accomplishing modernization in three steps; the basic principle of fostering and attaching equal importance to promoting both material and spiritual civilization, strengthening the legal system while developing the economy, and fighting corruption while pursuing the process of reform and opening up; and the patriotic spirit of safeguarding the country's independence and sovereignty, fostering national self-esteem and confidence, and working hard to revitalize China.

In studying Volume 3 of *Selected Works of Deng Xiaoping*, we must carry forward our party's fine study style of integrating theory with practice, keep in close touch with the current situation and practice since the beginning of reform and opening up, and earnestly read the original text to grasp its essential spirit and raise our theoretical and political standards. We must integrate the study of Comrade Deng Xiaoping's strategic thinking and theoretical viewpoints with our efforts to learn from his scientific attitude and creative spirit. We must integrate the study of Volume 3 of *Selected Works of Deng Xiaoping* with our efforts to profoundly study and implement the guidelines of the 14th National Party Congress; with our efforts to seize the opportunity to deepen reform, opening ourselves wider to the outside world, accelerate economic development, and accomplish the province's goal of development in the nineties; and with our efforts to build the party, socialist spiritual civilization, democracy, a legal system, and a clean government. For the present, leading cadres at all levels should selectively master relevant discussions in Volume 3 related to the question of establishing a socialist market economic structure, strengthening and improving macro control of the national economy, combating corruption, and promoting a clean government in an effort to conduct our work more in accordance with principles, more systematically, and with more foresight and creativity; and to improve our ability to study new situations, resolve new problems, and open up new prospects.

From now on, we must place the study of Volume 3 of *Selected Works of Deng Xiaoping* on a principal position in the party's ideological construction and cadres' theoretical education. Party committees at all levels must earnestly strengthen their leadership in the study; earnestly study the CPC Central Committee's decision and Comrade Jiang Zemin's important speech; increase their understanding of the importance of studying the theory of building socialism with Chinese characteristics; and correct those comrades who neglect theoretical study and thinking on theoretical problems. Based on the increased understanding, we must meticulously plan our study projects and implement them earnestly.

Central theoretical study groups of party committees at and above county-level units must use Volume 3 of *Selected Works of Deng Xiaoping* as principal teaching material for theoretical study from now on. Members of the central groups at all levels should first read through the whole book and then study selected parts of the book

in a planned manner in connection with current and future situations and projects as well as the central tasks. Central theoretical study groups of provincial party committees should study more consciously and deeply so that they can guide and promote the study in central groups of all provincial, municipal, prefectural, and county departments. The provincial party committee has decided to hold reading or study classes in groups next year for principal leading comrades at city, prefectural, and provincial level departments to promote the study of Volume 3 of *Selected Works of Deng Xiaoping*. Municipal and prefectural party committees should also draw up their study plans accordingly.

Leading cadres at all levels, particularly those at above county (department) levels, should take the lead in diligently studying and researching the book, applying their study, and use their examples to motivate the vast number of party members and cadres to study the book. While ordinary party members and cadres should primarily study the book themselves in addition to performing their duties, they may, in accordance with conditions and feasibility, also enter grass-roots party schools in groups and by stages for short-term training and other forms of collective study.

Propaganda and organization departments of party committees at all levels should strengthen their leadership, supervision, and inspection of the study as well as summarize and exchange their study experiences and promote a continued and deepened study of the book. Meanwhile, propaganda and organization departments of the provincial party committees should, according to the demands of the party Central Committee and the provincial party committees, draw up guidelines for implementing the study of Volume 3 of *Selected Works of Deng Xiaoping* for all party members and cadres in the province. Party and cadre schools at all levels should include Volume 3 of *Selected Works of Deng Xiaoping* in the principal curriculum for cadres' training. Schools of higher learning should, in accordance with the guidelines of the party Central Committee, further strengthen and improve their education in Marxist theory. The vast number of propaganda and theoretical workers should bring into play their backbone role in studying the book, and further intensify their study and publicity of the theory of building socialism with Chinese characteristics.

Press units at all levels should, through various effective methods, earnestly do a good job in publicizing the study of Volume 3 of the *Selected Works of Deng Xiaoping*.

Central-South Region

Guangdong Continues Antidrug Campaign

HK3011055593 Hong Kong WEN WEI PO in Chinese
12 Nov 93 p 57

["Special feature" by Kao Shan (7559 1472) and Wu Hsin (0702 2948): "On-the-Spot Report on Antidrug Drive Throughout Guangdong Which Is the 'Fourth Passageway' of International Drug Syndicates"]

[Text] Affected by the rampant international drug tide, drug smuggling syndicates inside and outside China have established the "fourth passageway" which originates from the "golden triangle"—the source of drugs—and passes through China's Yunnan, Guangxi, and Guangdong, finally reaching out to Hong Kong. Guangdong Province, which is on the first front of reform and opening up, has naturally been harmed by drugs, and in recent years, the phenomenon of drug smuggling and addiction has emerged. More than 100 years ago, national hero Lin Zexu burned British opium in Guangdong; faced with the new harm of drugs, Guangdong people have begun to set up emergency defense measures again.

Over 10,000 Drug Trafficking Cases Have Been Cracked

According to statistics provided by the relevant department in Guangdong, from 1981 to 1992, the whole province cracked more than 1,000 [as published] drug trafficking cases, arrested over 3,000 drug traffickers, and seized over 500 kg of heroin and over 1,600 kg of opium and other drugs. It cannot be denied that the number of drug addicts has been increasing. In 1991, Guangdong Province detected some 5,500 drug addicts, and in 1992 the figure rose to 8,000, whereas the phenomenon spread from urban to rural and mountainous areas. At present, more than 70 counties and districts in Guangdong Province have already discovered drug addicts.

Drugs are called "spiritual cancer." Once a person is addicted to drugs, he cannot control himself, and this leads to distorted character, psychological abnormality, and delinquent behavior, and if he takes an overdose he can die. Shenzhen has dozens of such cases. Drug addicts not only suffer unbearable pains themselves, they also bring harm to their families and society. At the Shenzhen City Rehabilitation Center, we have seen a young man in his early twenties, who was dejected, with a dull look in his eyes, and kept murmuring "I was wrong, I was wrong..." He was originally an individual business operator who possessed more than 1 million yuan, but he took drugs for three years, spent all his money, and fell into the sorrowful condition of being a penniless man.

The Common Characteristics of Drug Addicts

Guangdong Province's drug addicts have several obvious characteristics: First, many of them are young people, and statistics from several rehabilitation centers in Guangdong Province show that 80 percent of those seeking treatment are under the age of 30; second, they have low educational attainment, and generally they have not finished level four of primary school, while some cannot even write the names of their parents; third, many of them are individual business operators and young people who have no jobs, and this group accounts for 79.8 percent of the drug addicts; fourth, many of them took drugs out of curiosity or were lured into taking drugs (among this group women were the majority), and these two reasons were given by 82 percent of the drug

addicts. The Lis, a sister and her younger brother, seeking treatment in the Shenzhen City Baoan District Rehabilitation Center, were an example. The sister was 19 years old, and the brother was only 14 years old, but he was already a previous drug addict.

The following is a conversation between the brother and the head of the Baoan District Rehabilitation Center:

"When did you begin to take 'white powder'?"

"When I was 12 years old. Everyone who played with me at that time did it, and I followed them. They were older than me."

"Have you ever been to school?"

"I dropped out after three years in school."

"Why are you taking drug after you quit it?"

"After I went out, they came to play with me, and they took the drug, and offered it to me, so I took the drug again."

Compared with the brother, the sister was not so frank. The head of the rehabilitation center told us that she complained about a pain in her abdomen, and was lured and cheated into taking the drug, then she became addicted to it. It was not difficult to see that being cheated and lured into taking the drug was a story she was reluctant to tell.

Wage a Vigorous Offensive Against Drugs

Aiming at the grim situation of rampant drugs in the coastal areas of Guangdong, Guangdong Province has specifically established a narcotics commission, to launch a severe campaign to ban drugs and crack down on drug trafficking.

On 11 July 1991, Guangdong Province, for the first time since liberation, openly burned a quantity of drugs on the outskirts of Guangzhou. In February this year, Guangdong cracked an extraordinarily big case of manufacturing and trafficking "ice," seized more than 600 kg of ice, arrested 37 criminals inside and outside the border, and demolished drug processing dens in Jiangmen, Qingyuan, Dongguan, and Fujian's Changle County. In May, Shantou City People's Court sentenced two drug traffickers, one from Hong Kong and one from Thailand, to death.

27 Rehabilitation Centers Established

At the same time when it severely cracked down on drug trafficking activities, Guangdong Province also organized various forms of drug rehabilitation and prevention activities, and established 27 rehabilitation centers in various localities.

The Shenzhen City Rehabilitation Center is worth mentioning, because the "beforehand hypnotizing therapy" there has scored special results in the course of rehabilitation.

"Beforehand hypnotizing therapy" means that when a drug addict is admitted to the center, he will first be examined by a doctor, who will ask detailed questions such as why he takes drugs, how long he has been taking drug, what kind of drugs he takes, daily dose of drugs, and when was the last time he took drugs, then, the doctor will use medicine to continuously hypnotize him for 72 hours, so that the drug addict's most painful moments and most obvious symptoms during rehabilitation can pass during hypnotism. Thereafter, therapy will be given according to the concrete conditions. The whole stage ranges from three to five days, and the drug addict's physical rehabilitation rate reaches 100 percent, and the time is shorter than using the customary therapy of dispensing methadone as a substitute—a therapy which is used at home and abroad, while the results are better, and there is no new drug dependence or side effect.

However, reliance on drugs is twofold: First, physical reliance, the real addiction; second, psychological reliance, which is commonly called "psychological addiction." Therefore, the Shenzhen City Rehabilitation Center insists on the therapeutic principle of combining medicine with psychology, and adopts a 60-day rehabilitation program which involves three stages of treatment, consolidation, and recovery, which not only enables a drug addict to have 100 percent physical rehabilitation, but also lets him recover psychologically as much as possible. The rate of those who become addicts again after walking out of this rehabilitation center is currently far lower than the proportion at other domestic and foreign centers.

Guangdong Spiritual Civilization Conference Ends

HK0112063393 *Guangzhou Guangdong People's Radio Network in Mandarin 0400 GMT 27 Nov 93*

[Text] The provincial socialist spiritual civilization work conference ended yesterday afternoon. Yu Youjun, provincial socialist spiritual civilization work committee deputy director and provincial party committee propaganda department director, delivered a speech at the closing session in which he emphatically pointed out: We should strive for actual and tangible results in building socialist spiritual civilization. This means that we should strive to comprehensively improve human quality and civilization, foster a new generation of people with ideals, moral integrity, sense of discipline, and cultural accomplishments, and earnestly further theoretical, ideological, ethical, and cultural building.

Comrade Yu Youjun stated: To this end, it is imperative to conscientiously organize people to study Volume 3 of *The Selected Works of Deng Xiaoping*, regard ideological and ethical building as a basic element of social system engineering pertaining to socialist spiritual civilization, and unreservedly and resolutely step up socialist spiritual civilization work. The propaganda, culture, and

spiritual civilization work departments across the province should publicize and implement the spirit of Comrade Jiang Zemin's 64-character instruction so as to promote overall social and national development.

XINHUA Runs Longer Version of Hainan Item

OW2711235393 Beijing XINHUA Domestic Service in Chinese 2110 GMT 26 Nov 93

[By XINHUA reporters Zhang Chuanxuan (1728 0278 1357), Bu Yuntong (0592 0061 1749), and Xu Jinpeng (1776 6855 7720); see item headlined "Investors Show 'Great Interest' in Hainan," published in the Central-South Region section of the 26 November China DAILY REPORT, page 42]

[Text] Haikou, 27 Nov (XINHUA)—Five years ago, Hainan Island was proclaimed our country's fifth and largest special economic zone [SEZ]. Today, high-rises have sprung up there. Chinese and foreign investors are flocking to this prosperous land where the economy is developing rapidly. The ever-changing Hainan SEZ is emerging before the world, providing people with a source of wonderment, admiration, and profound thoughts.

Faced with miraculous changes, a considerable number of people who have come to Hainan to solve the "mystery" have found that Hainan offers a remarkably free atmosphere in which to develop a socialist market economy, although it got off to a late start on the basis of an underdeveloped and poor economic foundation. Many entrepreneurs from the hinterland told reporters: In running enterprises on Hainan, we can operate with full independence and compete fairly in the market. We are indeed "free."

According to market economics experts, the key to Hainan's free environment for economic development lies in greater economic freedom arising from little administrative interference. This shows Hainan's great success in practicing the new system of "small government and large society" ahead of other parts of the country.

By the time Hainan was designated a province and a SEZ, the rest of the country had entered its 10th year of reform and opening up. Shenzhen, Xiamen, and two other SEZ's had been in existence for eight years. Fourteen coastal port cities and the Changjiang, Zhujiang, and Southern Fujian Delta regions had opened up to the outside world. Momentum was gathering toward opening up the entire country, from coastal to interior regions, to the outside world. Drawing upon their experiences in reform and opening up, the central authorities designed a set of brand-new policies that differed from those implemented in other provinces and municipalities, and in Shenzhen, Zhuhai, and other SEZ's. According to these policies, Hainan would encourage fair competition among various economic sectors, develop a market economy, and depart from its existing organizational structure in setting up government bodies with the aim of promoting "small government and large

society" based on competence and efficiency. These three aspects are interdependent and inseparable.

Hainan's policymakers consider "small government" to be the inevitable choice for fostering a market economy in which various economic sectors compete on an equal footing. The reason is very simple. A feature of the planned economy is centralized state control over all facets of economic life, be they major or minor, from steel products, cement, and daily necessities to capital and manpower. Control over so many areas would naturally entail the creation of large administrative bodies. Before Hainan was designated a province, it encountered a variety of problems in attracting foreign capital as a result of such control. For instance, foreign businessmen needed workers when they ran enterprises in Hainan. Nevertheless, all educated and trained workers previously had to accept job assignments made centrally by government labor and personnel departments. Not covered by state plans, foreign businessmen naturally could not obtain labor quotas and thus found it extremely difficult to hire workers. Foreign investors must buy production means on their own in Hainan. Under the previous system, all production means were distributed centrally by government planning departments. Because they could not secure any quotas, foreign businessmen were incapable of buying production means locally.

Without a doubt, any region that dismantles this system ahead of others leads the way in improving the "intangible aspects of the environment" to attract foreign capital. Because of its unique geographical environment, Hainan Island is in a position to lead the way in "experimenting." Whether the Hainan SEZ can develop successfully during the nineties depends largely on the success of this experiment. Thanks to the full support of the party Central Committee, "small government"—a new government system that was the first in New China's history to "stress market regulation"—has come into existence. It has the following features: The province no longer has prefectures. The provincial government has 27 departments, down from 69 departments, bureaus, and committees when Hainan was an administrative region. To separate party and government functions, the provincial party committee no longer has departments that overlap government organizations. To separate government administration from enterprise management, 11 bureaus and eight administrative companies with twin signboards have been reorganized into enterprises that do business directly in the market. Consequently, Hainan has the smallest provincial-level administration in the country, a political system that has helped the Hainan SEZ foster an "even more special" image.

Henan Secretary Addresses Party School Graduation

HK0112063193 Zhengzhou Henan People's Radio Network in Mandarin 1030 GMT 26 Nov 93

[Text] Provincial party committee Secretary Li Changchun yesterday delivered a speech at a graduation ceremony held in the provincial party school for the first

batch of prefectural, city, and provincial department principal leaders who had attended a course on Volume 3 of *The Selected Works of Deng Xiaoping*.

In his speech, Secretary Li Changchun emphatically called for conscientiously studying Volume 3 *The Selected Works of Deng Xiaoping*, guiding the provincial work with Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics, further emancipating the mind, further transforming ideological concepts in the course of reform, opening up, and economic construction, clearing up all ideological obstacles, and promoting faster reform, opening up, and economic construction.

Secretary Li Changchun also spoke on both the historical position and important significance of Volume 3 *The Selected Works of Deng Xiaoping* and called for acquiring an in-depth understanding of the basic principle advocated by Comrade Deng Xiaoping, firmly grasping two work aspects at the same time.

A total of 53 prefectural, city, and provincial department principal leaders attended the course.

Also attending yesterday's graduation ceremony were Wen Jianzhang, provincial party committee standing committee member and organization department director, Zhang Wenbin, provincial party committee standing committee member and propaganda department director, and others.

Henan To Execute Birth Control Violators

HK0112110293 Hong Kong AFP in English 1033 GMT
1 Dec 93

[Text] Beijing, Dec 1 (AFP)—China condemned to death two hospital officials and jailed four others for helping women escape sterilization demanded by draconian birth control policies, an official newspaper reported.

The six were convicted of taking 190,000 yuan (32,750 dollars) in bribes between 1988 and 1990 to give out 448 falsified sterilization papers, the Henan Legal News said in its November 22 edition received here Wednesday.

The case, reported on the front page, was portrayed as part of China's ongoing anti-corruption campaign, but was more likely to focus attention on the country's one-child birth control policy.

The government has denied allegations from Western human rights critics of widespread forced sterilization among China's 1.2 billion people, but the report cast doubt on this.

The six were charged with "supplying falsified certificates to (women) who did not undergo family planning ligation surgery," the paper said. Ligation in women refers to knotting the Fallopian tubes, which prevents ova from reaching the uterus for fertilization.

Yu Jian'an, a vice director of the No. 2 People's Hospital in Henan's Lin county, was sentenced to death, the paper said. Hospital affairs director Sun Changsheng was given

a two-year suspended death sentence. Four others, including Yuan Baochang, a family planning official, and three farmers, were imprisoned for terms of up to life. The sentences were handed out at a public trial at the middle court in Anyang, a large city in the north of the densely populated province. The newspaper did not say if the death sentence against Yu was carried out, but immediate execution is the normal practice in China barring an appeal.

Yu was convicted of earning 120,000 yuan of the bribes, while Sun took 33,000 yuan. The four others received sums ranging from 5,300 yuan to 14,000 yuan.

China allows couples in the countryside to have two children if the first is a girl, because of the deeply embedded desire of rural Chinese to have a boy to continue the father's family lineage. But couples often exceed the limit if they fail to produce a boy on the second try.

North Region

Reportage on Beijing Secretary's Activities

Addresses Non-Communist Forum

SK0112080593 Beijing BEIJING RIBAO in Chinese
23 Nov 93 p 1

[By reporter Sun Yushan (1327 3768 1472): "Municipal Party Committee Invites Personages Outside the Party to Forum"]

[Text] On the afternoon of 22 November, the municipal party committee invited responsible persons of Beijing's democratic parties and Federation of Industry and Commerce, noted figures without party affiliation, and personages from various nationalities and religious circles to a forum to relay the guidelines of the third plenary session of the 14th CPC Central Committee and the National United Front work conference and inform them of Beijing's anticorruption struggle and effort to maintain honesty in performing official duties. Li Zhi-jian, deputy secretary of the municipal party committee, chaired the forum. Chen Xitong, secretary of the municipal party committee, attended and gave a speech.

Zhang Jianmin, alternate member of the CPC Central Committee and chairman of the municipal people's congress standing committee, reported General Secretary Jiang Zemin's important speech given at the third plenary session of the 14th party Central Committee and the guidelines of this session.

Duan Bingren, standing committee member and secretary general of the municipal party committee, reported the two democratic meetings held by the municipal party committee on opposing corruption and maintaining diligent and honest performance of official duties.

Li Yongan, secretary of the municipal discipline inspection commission, reported the municipal anticorruption struggle.

Shen Rendao, vice chairman of the municipal committee of the Chinese People's Political Consultative Conference [CPPCC] and director of the united front work department of the municipal party committee, reported the guidelines of the national united front work conference.

Chen Xitong pointed out in his speech: The third plenary session of the 14th party Central Committee draws the basic framework of the socialist market economy system. Seven years are left before the end of this century. We should conscientiously implement the guidelines of the plenary session, seize the opportunity to deepen reform in various fields and develop various undertakings, and strive to establish the socialist market economy system at an early date.

Chen Xitong emphasized: We should resolutely carry out the anticorruption struggle, step up efforts to maintain honesty in performing official duties, and achieve good results in the near future for the present stage. We should consider the anticorruption struggle a long-term important task, devote unremitting efforts to it, and reduce corrupt phenomena to the minimum to ensure the smooth progress of reform, opening up, and the modernization drive.

Chen Xitong urged personages outside the party to offer more valuable opinions and suggestions to help the municipal party committee strengthen party building and achieve success in all work.

Leading comrades of the municipal party committee, people's congress standing committee, and CPPCC committee, including Chen Guangwen, Wang Baosen, He Luli, Feng Mingwei, Wang Zhaoyue, and Du Shenwei, attended the forum.

Responsible persons of municipal democratic parties and Federation of Industry and Commerce, personages without party affiliation, and personages from nationalities and religious circles who were present at the forum were Zhang Lianyun, Tao Dayong, Wang Zhitai, Mei Xiangming, Zhu Chenyu, Liang Liji, Mei Zuyan, Peng Kexun, Zhang Bo, Zhang Kaiji, Wen Zhe, Ren Ningfen, An Shiwei, Fu Tieshan, Yin Jizeng, Xiu Ming, and Zhang Shouchong.

Attends Meeting on Deng's Works

SK0112064393 Beijing BEIJING RIBAO in Chinese
21 Nov 93 p 1

[By reporter Shi Mei (4258 2734): "Theory Studying Central Group of the Municipal Party Committee and the Municipal Government Holds Study Meeting"]

[Text] On 20 November, the theory studying central group of the municipal party committee and the municipal government held a meeting to listen to the report on studying Volume 3 of *Selected Works of Deng Xiaoping*, made by Zheng Bijian, executive deputy head of the Propaganda Department under the CPC Central Committee, on the basis of having already begun to conscientiously study and read it.

Chen Xitong, secretary of the municipal party committee, attended the meeting.

Comrade Zheng Bijian dwelt on his experiences concerning the political and theoretical significance in studying Volume 3 of *Selected Works of Deng Xiaoping*, concerning the important development of Marxism effected by Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics, concerning the ideological line that Communists should constantly create new situation during the struggle, and concerning persisting in the party's basic line without wavering for 100 years.

Comrade Zheng Bijian said: Volume 3 of *Selected Works of Deng Xiaoping*, together with Volume 2, are the works laying foundation for the Marxism of present China, are the representative works indicating that Marxism has attained a new realm and a new height in present China, and are the best teaching materials and most effective weapons to educate the people to unify their thoughts. Successfully studying Volume 3 of *Selected Works of Deng Xiaoping* will certainly make the whole party and the whole people be more confident of our great cause of socialism and will exert tremendous and far-reaching influence on the future of China's socialism.

Comrade Zheng Bijian pointed out with full confidence: Under the guidance of Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics, the Chinese nation will again create brilliant results on the basis of socialism, and socialism will again create brilliant results in the struggle of Chinese people.

Chen Xitong, secretary of the municipal party committee, said at the meeting: By studying Volume 3 of *Selected Works of Deng Xiaoping*, we can further enhance our confidence of socialism. Only by combining it with the study of the fundamental tenets of Marxism can we study and comprehend Volume 3 of *Selected Works of Deng Xiaoping* in an even more profound manner. We should continue to emancipate the mind and use Comrade Xiaoping's theory of building socialism with Chinese characteristics to carry out Beijing's reform, opening up, and modernization in order to handle Beijing's affairs in an even better manner.

Comrade Li Zhijian presided over the study meeting. Attending the meeting were responsible comrades of the municipal party committee, the municipal government, the municipal people's congress standing committee, the municipal committee of the Chinese People's Political Consultative Conference, and the municipal discipline inspection commission, including Zhang Jianmin, Wang Daming, Chen Guangwen, Zhang Baifa, and Wang Baosen. Also attending were principal responsible comrades of various departments, commissions, and offices under the municipal party committee and the municipal government, of various district and county party committees, and of municipal trade unions, Communist Youth Leagues, and women's federations.

Meets Chess Champion

SK0112083093 Beijing BEIJING RIBAO in Chinese
23 Nov 93 p 1

[Text] On the evening of 22 November, Chen Xitong, secretary of the municipal party committee, warmly congratulated Xie Jun on her success in retaining her championship title at a welcoming party and expressed the hoped that she would retain the title next time and more young people would like chess, learn from Xie Jun, and catch up with and surpass her.

Municipal leaders, including Zhang Jianmin, Li Zhijian, Zhang Baifa, Duan Bingren, He Luli and Wan Siqian, extended congratulations and a warm welcome to her.

Chen Xitong said to Xie Jun: The purpose of my last meeting with you, your parents, and your coach was to congratulate you on your success in capturing the world championship; the purpose of this meeting is to congratulate you on your success in retaining the championship title. It is really not easy to accomplish such an achievement. Thank you for winning honor for the motherland and proving that Chinese contestants are outstanding with your specific deeds. This will encourage people across the country. We also thank Xie Jun's parents for having such a good daughter, thank the coach, doctors, and the personnel of the physical culture and sports commission for their contributions. Chen Xitong hoped that Xie Jun would make persistent efforts and urged comrades of the physical culture and sports commission to do more work and pay attention to training new hands. He expressed the hope that more young people would love chess, learn from Xie Jun, catch up with and surpass her, and maintain our country's advantage in this game.

Xie Jun thanked leaders of the municipal party committee and the municipal government for their concern and encouragement. She said: As I am a contestant from Beijing, my achievements can never be separated from the concern and help of the municipal leaders, the coach, and my parents. I will study unceasingly, enhance my level, and strive to successfully retain my championship title.

On behalf of the municipal party committee and the municipal government, Chen Xitong presented souvenirs to Xie Jun's coach, doctors, and parents and happily took a group photo with Xie Jun.

Beijing Executes 'Serious Criminal Offenders'

SK0112072293 Beijing BEIJING RIBAO in Chinese
21 Nov 93 p 1

[Text] On 18 November, the municipal intermediate people's court executed five serious criminal offenders who were guilty of the most heinous crimes.

These five criminal offenders were as follows: Sun Xinbao, driver of the no. 1 municipal bus company, disappointed over a love affair, vented his anger on somebody

and killed others with a knife. Released from the reform-through-labor sentence, Du Changshun refused to mend his ways despite repeated admonition, and did all sorts of evil such as organizing gambling and killing others with a knife. Unemployed Zhu Shiqing ganged up with others to beat others to death intentionally. Released on bail for medical treatment, Chen Wenwu ganged up with others to wantonly indulge himself in looting, stealing, and swindling. Unemployed Gao Feng from Qiqihar city of Heilongjiang Province, illegally carried pistols and ammunition, round up several persons to beat and wound, and also ganged up with others to wantonly engage in looting.

Criminal Chen Wenwu has been punished several times and was also imprisoned. While out on bail for medical treatment, he ganged up with others and, carrying weapons, looted houses in Beijing's Xicheng and Xuanwu Districts and Henan Province's Zhengzhou city. They hurt many persons and stole 110,000 yuan of property. They also planned to loot a bank money delivery car. But, they were arrested by the security organ in time and failed to do so. Criminal Chen also wantonly stole a huge sum of money. On the wanted list of the security organ, he also ganged up with others and swindled extraordinarily huge sums of money.

Before executing these five criminals, the municipal intermediate court also successively executed several criminal offenders who indulged themselves in looting, intentionally murdered others, unlawfully bought and sold guns, raped women, and habitually engaged in stealing.

On 18 November, the municipal higher people's court passed final judgment on five serious criminal offenders who had lodged appeals. Prime culprit Gao Feng was sentenced to death, deprived of political rights for the remainder of his lifetime, escorted to the execution ground, and executed. The remaining four criminals were sentenced to life imprisonment or given terms of imprisonment.

Gao Feng, who was from Qiqihar city of Heilongjiang Province, fled to Beijing after making the security organ's want list. He ganged up with Yin Yanyan, who was in Beijing upon fleeing Inner Mongolia, Cao Lianzhu, Wu Desheng, and Wang Xiaojie to wantonly engage in looting and stealing with guns and kitchen knives.

Beijing Sees Growth of Tourism Industry

OW3011143093 Beijing XINHUA in English 1344
GMT 30 Nov 93

[Text] Beijing, November 30 (XINHUA)—Since China opened itself to the rest of the world in 1978, tourism has become a major industry in the Chinese capital.

Beijing earned more than 800 million yuan (about 138 U.S. dollars) [figure as received] from the tourist industry last year, about one-tenth of its total revenues. Earnings are expected to reach one billion yuan this year.

The capital attracts both domestic and overseas tourists because of its political significance, economical development and appealing tourist sites.

More than 400 tourist attractions have been opened to visitors.

The Tiananmen rostrum, from which the late Chinese leader Mao Zedong proclaimed the founding of the People's Republic in 1949, was official opened to tourists on January 1, 1988.

1988's "Beijing International Tourist Year" and 1992's "Beijing Golden Tourist Year" have both helped promote tourism.

According to the municipal administration, the capital has received about 12 million overseas visitors since 1978, with a total income of six billion U.S. dollars.

During the first ten months of this year, Beijing hosted about 1.72 million overseas visitors, with a total income of about one billion U.S. dollars.

The capital has opened more than 180 hotels to accommodate overseas tourists. 14 five-star hotels now grace the city.

Sino-foreign joint-venture hotels began to earn profits in April of this year following three years of losses. They earned 218 million yuan (about 38 million U.S. dollars) in the first nine months of this year, in stark contrast with the 710 million yuan in losses the hotels suffered last year.

The capital has 204 tourist services with 5,500 tourist guides speaking 21 languages.

Visitors can shop in newly-opened, luxurious shopping centers that have sprung up as China creates a market economy.

Overseas tourists may entertain themselves with unique Chinese art. Such tourist attractions as the Beijing Opera theater in the Qianmen Hotel, the Tianqiao garden of Chinese folk customs and the Laoshe folk art tea house have drawn more and more tourists.

Meanwhile, improved traffic conditions in the capital have facilitated greater tourism. The capital has new express highways, and a new railway station is being built. The expansion of the capital airport will be completed by 1997.

Hebei Governor on Rural Economy

SK2611084593 Shijiazhuang HEBEI RIBAO in Chinese 11 Nov 93 pp 1,2

[By trainee Zhou Jinxiang (0719 6855 7449) and reporter Guo Zengshun (6753 1073 7311): "Hebei Province Holds Rural Work Conference"]

[Text] The provincial rural work conference ended on 10 November. Ye Liansong, deputy secretary of the provincial party committee and governor of the provincial government, made a summing-up speech entitled,

"Cater to the Market, Tap Potential, Increase Efficiency, and Realistically Promote Agriculture and the Rural Economy." He stressed: This conference is an important meeting. All prefectures and cities should conscientiously and solidly implement the guidelines of this conference, firmly foster the guiding ideology that the rural areas are the key of the whole situation and agriculture is the foundation of the national economy, fully understand the gigantic potential for further developing agriculture and the rural economy, enhance confidence, grasp favorable opportunities, cater to the markets, try every possible means to promote agriculture and the rural economy, and elevate the province's economy to a new high.

Li Bingliang, deputy secretary of the provincial party committee, chaired the closing ceremony. Present at the closing ceremony were some provincial leaders, including Li Wenshan, Liu Shanxiang, Han Licheng, Chen Liyou, Xu Yongyao, Zhao Jinduo, Li Zhangshu, Ning Quanfu, Gu Erxiong, Zhang Runshen, Song Shuhua, and Wang Zuwu.

At the four-day conference, the participants conscientiously studied the guidelines of the central rural work conference; Cheng Weigao made a speech on the agricultural and the rural work of the province; and Li Bingliang and Gu Erxiong respectively explained the provincial proposal for implementing the several policy measures of the central authorities for developing agriculture and the rural economy, the provincial "seven-character project" for developing agriculture, and the provincial "double-thousand project" for developing agriculture. The participants deeply discussed the aforementioned contents and set forth some good opinions and suggestions. Cheng Weigao and Li Bingliang respectively chaired and sponsored the forum of township- and village-level responsible cadres participating in the conference and the forum of secretaries of the counties (cities) that are carrying out, on a trial basis, overall provincial-level reform.

According to the several problems discussed at the conference and the province's actual conditions for agricultural production and rural economic work, Ye Liansong set forth five opinions. He first pointed out: While the provincial agricultural and rural economic situation is generally good, some difficulties and problems in agricultural production and rural economic development prominently remain. The agricultural situation is extremely grim. So, it is extremely necessary for us to fully understand the unfavorable conditions, be more serious in treating contradictions and problems, keep sober-headed, and adopt positive countermeasures. Simultaneously, we should also fully understand the favorable opportunities and favorable conditions ahead of us and fully understand the gigantic potential and vast prospects for developing agriculture and the rural economy. Only thus will we be able to enhance confidence, be brave enough, grasp favorable opportunities, and do our best to promote agriculture and the rural economy.

Ye Liansong said: Now, our province has good opportunities and great potential to speed up the development of agriculture and the rural economy. We also have great potentials in the aspects of policies, resources, processing industry, markets, and science and technology. We are in a new stage of making a new leap in agriculture and rural economy.

We must clearly understand the situation, strengthen confidence, implement the various policies and measures of the central authorities and the province on supporting agriculture, bring benefits to peasants, protect them and invigorate farming in a down-to-earth manner, fully tap all potentials of agriculture in the course of developing the rural economy, mobilize the enthusiasm of the broad masses of peasants, seize the opportunity, deepen reform and develop agriculture and the rural economy in line with local conditions. By so doing, our province's agricultural economic efficiency and the actual income of peasants will surely unceasingly increase and agriculture and the rural economy will be able to unceasingly enter a new stage.

In referring to the issue of leading peasants to serve the market and realize the goal of linking agriculture and the rural economy with the market economy as quickly as possible, Ye Liansong said: At present, we face many difficulties and contradictions in the course of agricultural production and the rural economic development. Fundamentally speaking, this is a reflection in agriculture and in the rural economy of the contraction of the planned economy system with the market economy system. To solve these contractions and problems, we must accelerate the building of a rural economic operational mechanism and the management system that meet the demands of the socialist market economy, guide the peasants to serve the market, and enable agriculture and the rural economy to enter the path of socialist market economy as quickly as possible. Only thus can we stabilize and improve the responsibility systems focusing on the family-based output-related responsibility system and the dual management system under which unified management is combined with separate management, and determine the main status of peasants as the producers and managers of commodities; to consolidate and strengthen the basic status of agriculture and guarantee a stable increase in basic agricultural products; to promote the readjustment of rural industrial structure, develop a type of farming that produces high yield of fine quality with good efficiency, industrialize the rural economy and solve a series of contradictions and problems existing in rural work; and to gradually narrow the price scissors between industrial and agricultural products, raise the comparable efficiency of agriculture, increase peasants' income, and guarantee the realization of the goal of becoming well-off. Therefore, party committees and governments at all levels should guide peasants to guarantee the stable increase of farm products, serve the market, regard the work of linking agriculture and the rural economy with the market economy as an urgent task and grasp it realistically.

Ye Liansong called on all localities, first of all, to adopt effective measures to guide peasants' increase in grain and cotton production and to guarantee a stable increase in the basic agricultural products of grain and cotton. Governments at all levels should realistically grasp the major reform of the grain purchasing and marketing systems well, and in addition, promptly and accurately relay the grain protective prices which the state has announced every year before grain sowing to the broad masses of peasants, also implement the policy on adding extra money to the prices of grain under contract purchase, realistically win the people's trust, and mobilize their enthusiasm in planting grain. The state has assigned a task of planting 11 million mu of cotton to our province in 1994 and producing a total output of 10 million dan, of which, 9 million dan is under the contract purchasing task. This task will be regarded as a mandatory plan and distributed to all cotton planting prefectures, cities and counties. This task should be regarded as a part of the responsibility system for attaining a certain target which must be fulfilled completely. In particular, we should guarantee that 3 million mu of high yield and good efficiency cotton be planted inside plastic sheet coverings and strive to make the farming acreage reach 5 million mu. Second, we should comprehensively use policy, information and economic levers and guide peasants to step up efforts to readjust the farming structure in line with market demands. All cities, prefectures and counties should fully display the advantages of geographic position, the regional outlook, weather and natural resources, strive to tap production potentials and actively develop high yield farming in close connection with market demands. Particularly, all cities and prefectures around Beijing and Tianjin and all counties and cities near the central cities should formulate plans for entering their local farm and sideline products to the markets of large and medium-sized cities, make arrangements for this project, rapidly turn the products into competitive ones and mass produce these products to form a commodity advantage. Third, we should make conscientious efforts to establish the rural socialized service system well and organize the coordination of peasant households' production and operation with market demand. Party committees and governments at all levels should adopt positive measures to change the current situation in which establishment of the service system falls behind rural economic development as soon as possible. We should work out encouraging measures, mobilize forces from all quarters, and give full play to the advantages of each department and trade. All counties, townships, and villages should strive to provide favorable conditions to extensively build various types of specialized and multi-purpose service organizations. Focusing on superior local industries, we should make active efforts to integrate trade, industry, and agriculture, coordinate production, processing, and marketing, and develop a number of leading enterprises to build a number of villages and households specialized in certain production and several base areas for specialized production. We should accelerate the establishment of the rural market system and organize the construction of one

provincial-level (Shijiazhuang city), four city-level (Handan, Tangshan, Qinhuangdao, and Zhangjiakou cities), and 50 county, in key counties, farm product wholesale markets well to expand the distribution channels for farm products. Fourth, we should accelerate the development of township enterprises focusing on the secondary and tertiary industries in line with the principle of attaching equal importance to development and improvement. In developing township enterprises, we should continue the principle under which various ownerships and systems are adopted, different guidance is given according to different cases, and development is carried out bravely. Emphasis should be put in two points. One is the project concerning the areas around Beijing and Tianjin, along the coastal line, and along railways and highways. The 50 counties (cities, districts) around Beijing and Tianjin, along the coastal line, and along railways and highways should apply fully and successfully, the preferential policies granted by the provincial government to expand the scale and improve the standing, quality, and level of township enterprises while increasing their number, develop a number of key projects and highly competitive products based on fairly high levels, and achieve breakthroughs as soon as possible in the development of areas and industries. The 20 counties (cities) around Beijing and Tianjin, in particular, should set even higher standards in township enterprise development. The other is the township enterprise development in poverty-stricken areas. The provincial government will give further preference to township enterprise development of poverty-stricken areas in terms of policies and funds. Cities, state-owned large and medium-sized enterprises, colleges and universities, and scientific research units with better economic conditions should establish ties with poverty-stricken counties and townships and provide them with funds, development projects, technology, products, and personnel so as to instill new vigor to the township enterprise development of poverty-stricken areas and make contributions to help peasants shake off poverty and achieve prosperity.

The third issue Ye Liansong spoke on was strengthening macroeconomic regulation and control and establishing and perfecting the system to support and guarantee agriculture. He emphasized: Rapid development of the national economy depends on the support of agriculture, and the development of agriculture, as the basic industry of the national economy, likewise, depends on reliably supporting and guaranteeing conditions. Since the third plenary session of the 11th party Central Committee, central and provincial authorities have formulated a package of policies to strengthen, develop, invigorate, support, and protect agriculture which have played a positive role in promoting agriculture and the rural economy. At the central rural work conference, the party Central Committee drew up "several policy measures for the current agricultural and rural economic development." Based on these policy measures, the provincial party committee and government put forward opinions on their implementation, which reflected their efforts to support and protect agriculture. At present, we should

emphasize four aspects of work: 1) We should further deepen the reform of the agricultural management system. The focus is on the reform of the system for management of agricultural plans, the agricultural investment system, and the grain and cotton purchasing and market system. Regarding the agricultural investment system, we should change the multi-channel management and policy-making and muster funds to develop large projects. Meanwhile, we should make conscientious efforts to coordinate with the state's reform of the investment system. 2) We should exert great efforts in making a unified plan for "agriculture, science and technology, and education" and implement the development strategy of "developing agriculture with science, technology, and education." In coordination with the implementation of the "provincial plan for disseminating scientific and technological achievements," "bumper harvest plan," and "spark plan," we should concentrate efforts on popularizing a number of projects which will play an important role in agricultural development. In particular, we should intensify the popularization of the fine seeds that have broad prospects for development and applicable agrotechnology. The application of science and technology to agricultural development should be extended from counties, townships, and villages to households and should be coordinated with the establishment of the socialized service system; and policies, technology, materials, funds, and masses' efforts should be guaranteed to provide powerful technological support to agricultural and rural economic development. We should give full play to the role of vocational education centers and intensify the vocational education and technical training of peasants to continuously improve the quality of laborers. 3) We should open various channels to increase input in agriculture and strive to enhance overall agricultural production capacity. The annual increase in the funds supporting rural production should be higher than that of the same level of other regular revenue. The increase in budgeted investment in agricultural capital construction should not be lower than the increase in the financial departments' agricultural input. The increase in agricultural loans should be higher than the average increase in various loans by more than two percentage points. We should adopt financial, tax, credit, and insurance means to encourage and guide society, rural collective and economic organizations, and peasants to make more investment in agriculture. We should concentrate the use of capital on the construction of agricultural infrastructure and a large number of projects. We should grasp agricultural projects, support overall agricultural development, ceaselessly increase scientific and technological input in agriculture, increase input in town and township enterprises, and increase the input in grain and cotton production bases. From next year, while arranging special loans, the province should appropriately increase investment in the construction of bases, coordinate state special loans with investment in capital construction, and concentrate capital on building 40 large commodity grain bases and 22 large, quality cotton counties. 4) We

should make realistic achievements in reducing the peasants' burdens. All levels and all departments should implement, to the letter, prohibitions that have been made already, including the items on collecting funds from the peasants, target-attaining and upgrading activities, erroneous charge collection and management methods, and items whose implementation has been suspended. The charges that were collected in violation of the central and provincial regulations after 19 March 1993 should be returned totally. From now on, we should institutionalize and regularize the peasants' burdens and really and thoroughly solve problems in this regard.

We should conscientiously attend to the current production to lay a good foundation for next year's harvests. Ye Liansong stressed: At present, autumn harvest and wheat sowing have basically been completed. All levels and all departments should attend to the current favorable opportunities to further strengthen the construction of agricultural infrastructure, make good preparations for agricultural production in the coming winter and spring, and lay a good foundation for reaping a bumper agricultural harvest in 1994. So far, the project for diverting water from south China to north China has been assessed again by the State Planning Commission and the Ministry of Water Conservancy. Thus, we should firmly attend to the construction of the central section of the project. The project will formally start construction next year after the approval of the State Council. We should strive to ensure the completion and operation of this project before 2000. We should positively support the construction of this especially large state project, regard the construction of this section as the key of the key capital construction projects, and strive to speed up the pre-phase preparatory work. We should grasp opportune moments to start an upsurge of farmland water conservancy capital construction. According to the provincial current situation a smaller amount of water has been stored and the droughts are serious and in line with the provincial plan for "saving water, digging wells, and storing water," we should achieve the construction of farmland water conservancy projects with the focus on saving water for irrigation. Recently, the provincial government decided to allocate 10 million yuan to help dig wells for plain villages without wells. Therefore, all localities should work out plans and collect funds to speed up the construction so as to ensure the irrigation of next spring's wheat fields. We should mobilize the people to vigorously develop water storage and diversion projects and continue to build sluice gates along river courses of plains. Simultaneously, we should use channels, bumps, and hollows to retain water. Mountain areas should administer small valleys, develop the economy on the mountains, and build ditches to create economic results. It is necessary to level the farmland, rake the soil level, maintain soil moisture, and kill insects. We should attend to the wheat field management and strive to reap bumper wheat harvests next summer. We should firmly attend to next year's cotton sowing. From now on, we should put together the fields of supply

and marketing, agriculture, scientific research, and agricultural colleges and schools to help grass-roots areas ensure that plots are set aside for cotton and reserve sufficient crop seeds, plastic films, pesticide, and some other materials. At the same time, we should extensively publicize among cotton farmers next year's preferential policies for supporting cotton growing in order to ensure that next year's cotton growing plan is fulfilled. We should go all out to achieve success in cotton procurement. This year, the province's cotton supply and demand situation is grim. At present, cotton procurement is proceeding very slowly. Governments at all levels must exert great efforts to successfully organize cotton procurement. We should resolutely prevent a "cotton battle." Cotton subject to contracted purchase by the state should be procured and managed in a unified manner. All non-cotton management units and individuals should refrain from engaging in cotton management. Industrial and commercial, public security, supply and marketing, and pricing departments should strengthen market management and make checks at all border outlets to prevent cotton from leaving the province and maintain good order in cotton procurement.

Ye Liansong stressed in conclusion: After this conference, all prefectures and cities should actually organize and guide the people to implement, to the letter, the important policies and decisions on developing agriculture and rural economy set forth by the CPC Central Committee, the State Council, the provincial party committee, and the provincial government. He emphatically stressed the following five aspects: First, we should conscientiously study Volume 3 of *Selected Works of Deng Xiaoping*, profoundly understand the guidelines of the speeches by central leading comrades, and again enhance the understanding of matters concerning agriculture, rural areas, and peasants under a socialist market economy so that the guiding ideology that rural areas affect the overall situation and agriculture comprise the foundation, take root in the hearts of cadres at all levels. Second, all departments at all levels should further revise and perfect their plans on development of agriculture and rural economy in accordance with the principles of "guiding, supporting, protecting, and regulating and controlling development of agriculture and the rural economy" and in line with the three major criteria of whether agricultural production has developed, whether agricultural products meet market demands, and whether peasants' income has increased. The "seven-character project" and the "project of yielding 1,000 jin of grain and earning 1,000 yuan of money from each mu of grain field," set forth by the provincial government, should be implemented, appraised, and improved simultaneously. Proceeding from local realities, all cities and prefectures should firmly grasp the drawing-up of the plan on "effecting two changes in agriculture" in line with the guiding principle of "effecting steady increases in one aspect and rapid increases in two aspects," and in accordance with the basic idea concerning the "seven-character project" and the "project of yielding 1,000 jin of grain and earning

1,000 yuan of money from each mu of grain field." Efforts should also be made to begin implementing this plan next year. Third, we should define duties, truly attend to work, and exert great effort in implementing the opinions of the provincial party committee and the provincial government on implementing the "CPC Central Committee's several policies and measures for developing agriculture and rural economy." All cities and prefectures and all relevant departments directly under the provincial authorities should conscientiously conduct research for, and draw up specific measures to implement the CPC Central Committee's several policies and measures. Fourth, we should realistically organize the activity of "leading comfortable lives and building new villages." We should revise and perfect the "unified standards for comfortable living at the provincial, county, township, village, and household levels." In line with the principles of "making different plans for different levels, giving different guidance to different situations, and promoting the implementation step by step," we should firmly grasp the drawing-up and improvement of plans for comfortable living in areas with different incomes. All cities (prefectures), counties (cities), and townships (towns) should draw up or revise their plans in line with the unified standards of the province. Fifth, we should strengthen construction of the leading system and working organs in rural work in combination with organizational reform. Provincial organizational reform is expected to be carried out step by step by the end of this year. In line with the unified arrangements of the provincial party committee, we should further rationalize the province's rural work leading system, strengthen and improve rural work organs, and improve our ability of comprehensively coordinating the province's agriculture and rural work in order to ensure that the province's agriculture and rural economy will develop in a sustained and steady manner under the conditions of a socialist market economy.

Northeast Region

Heilongjiang Secretary on Deng's Works

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[Article by Sun Weiben, secretary of the provincial party committee: "Deng Xiaoping's Theory and Our Country's Socialist Modernization"]

[Text] The issuance and distribution of Volume 3 of *The Selected Works of Deng Xiaoping* is a major affair in the political life of our party and country. We should attach great attention to it and study it conscientiously. Being the chief designer of our country's reform, opening up, and socialist modernization drive, Comrade Deng Xiaoping has gradually established a theoretical system of building socialism with Chinese characteristics on the basis of scientifically summarizing and distilling the practical experiences and creations of the party and the people and with the tremendous political courage of opening up a new path of socialist modernization and a tremendous theoretical courage of developing a Marxist

new realm. For the first time, he has fairly systematically established a series of basic issues for such an economically backward country as ours on how to build, consolidate, and develop socialism. The selected works is scientific guidance for our country's socialist modernization drive.

1. Deng Xiaoping's Theory Has Scientifically Expounded on the Basic Characteristics of Socialism and Laid a Brand-New Theoretical Foundation Stone for Our Country's Socialist Modernization

For a long time, the people have the concepts established through their understanding of the essence and characteristics of socialism that the essence and characteristics of socialism are ownership system, distribution according to work, and the planned economy, and after that, they have also added the dictatorship of the proletariat, the party's leadership, and spiritual civilization. To understand and grasp the connotation of these concepts, the people have often been firmly entrenched in some specific principles and conclusions of the Marxist classical works, and have given play to them in the form of doctrines; they have mechanically copied the former Soviet pattern, regarded it as a sacred thing, and formed a regular concept and pattern. This regular concept has been unceasingly strengthened through repeated instillation and has become a spiritual impetus for consolidating this pattern; and this regular pattern has been unceasingly strengthened under the motivation of political power and become a material basis for consolidating this concept. The mutual strengthening of the two has made the traditional socialist theory deviate from the paths of dialectical materialism and historical materialism in a certain degree and has added dogmatic, closed and ossified color to the original scientific, open, and developed socialism. In ownership form, it has surpassed the development level of productive forces, blindly made the "people's communes large in size and collective in nature," and sought single public ownership; economically, it has negated and rejected the commodity economy, regarded the market economy and socialism as two things diametrically opposed to each other, and formed a highly centralized planned economic system; in distribution form, the principle of distribution according to work has been developed into "equalitarianism" and a "big common pot" in practice. This has meant the superiority of socialism cannot be effectively brought into play, some socialist countries experience drastic changes one after another, and the world's socialist cause fall into an low ebb.

Under such a historical background, Comrade Deng Xiaoping has stood on a high plane of the times, reviewed the past, faced the future, held aloft the banner of emancipating the mind, and seeking truth from facts, started reexploring and restudying the essence and characteristics of socialism in the great practice of leading the whole party and the people across the country to actively promote reform and opening up. He has guided and supported the general discussion on "criterion for testing the truth," and broken through the "restricted zone" for

the people to scientifically understand the essence and characteristics of socialism; he has made a scientific appraisal of our country's socialist initial stage, and provided a basic precondition for the people to correctly understand and grasp the essence and characteristics of socialism; and he has also put forward the standard of productive forces and provided a scientific basis for the people to correctly understand the essence and characteristics of socialism. The important speeches given during his 1992 south China inspection effected a historical leap in the understanding of the essence and characteristics of socialism. Comrade Xiaoping said: Socialism is meant to "liberate and develop productive forces, eliminate exploitation and polarization, and ultimately achieve common prosperity." This incisive exposition enables the scientific meaning of socialism to be truly established on the theoretical foundation of dialectical and historical materialism. This is a great emancipation of ideological understanding and a great breakthrough in socialist theory.

Comrade Deng Xiaoping's expositions on the essence and characteristics of socialism abandon the past fixed pattern of thinking—a pattern to understand the essence and characteristics of socialism merely from the angles of production relations and superstructure—and establish a new thinking of understanding the essence and characteristics of socialism by integrating productive forces with production relations. This builds the understanding of the essence and characteristics of socialism on the scientific foundation of historical materialism. Historical materialism brings to light productive forces as the ultimate deciding force for promoting social development. It warns people that, when studying and understanding the essence and characteristics of any social formation and their changes and the ultimate reasons for political change, "they should not look for them from people's minds or their increasing understanding of the eternal truth and justice but should look for them from the changes in the ways of production and exchange; and should not look for them from the philosophy of the relevant time but should look for them from the economics of the relevant time." (*Selected Works of Marx and Engels*, Volume 3, p 425) For a long period of time, however, people acquired an understanding of the essence and characteristics of socialism from the angles of production relations and superstructure and failed to focus on how to liberate and develop productive forces. This transposed productive forces and production relations and also economic base and superstructure and created a strange phenomenon in which the principles of production relations and superstructure was adhered to at the expense of developing productive forces. For example, to adhere to the principle of "public ownership" which was understood as a dogma, the experiments on the household-based output-related contract system conducted by peasants since the founding of the country was regarded several times as "capitalism" and suppressed, and such absurd formations as "we would rather have the weed of socialism than the seedling of capitalism" and "we would rather have the poverty of

socialism than the wealth of capitalism" emerged. In the several decades after the founding of the country, whenever the party led and supported the people to display the pioneering spirit to promote the development of productive forces, some persons would flaunt the banner of essence and characteristics of socialism and the political labels of "class struggle" and "whether socialism or capitalism" to intimidate people in an attempt to keep the development of productive forces within the framework of "socialism," which they understood as a dogma. Comrade Xiaoping's expositions on the essence and characteristics of socialism put it in the first place to liberate and develop productive forces, integrate productive forces with production relations, and correct the past error to understand the essence and characteristics of socialism merely from the angles of production relations and superstructure. They eliminate the many non-essential or distorted contents added to socialism and thus enable to truly put the meaning of the essence and characteristics of socialism on the theoretical foundation of historical materialism. The new idea of understanding the essence and characteristics of socialism from the perspective of the integration between productive forces and production relations requires that we take liberation and development of productive forces as the basic task for the entire socialist historical period, always pursue the central task of economic construction, and concentrate on socialist modernization without delay. This not only has an important theoretical significance but also an immediate political significance.

Comrade Deng Xiaoping's exposition on socialist essence and characteristics has made a breakthrough in the limitations in the past, in which the revolution was only regarded as the emancipation of productive forces. It has also defined the practice of emancipating and developing productive forces through reforms and perfected the new socialist thinking in the course of developments. Thus, the cognition of socialist essence and characteristics has been scientifically based on the dialectical materialism. The traditional socialist viewpoint only stresses the development of productive forces under the socialist conditions and never stresses the emancipation of productive forces. It only stresses the "ultimate truth" of relevant socialist principles and never stresses that the socialist principles themselves should be also continuously improved, renewed, and expanded by understanding the test of socialist practice. By tracing these phenomena to their sources, we have found that the socialist essence and characteristics have not been understood as a process of dialectical and steady developments. Over the past long period people have consistently contended that the production relations after the seizure of power and the establishment of socialist systems by the proletariat should have been suitable to productive forces and that the superstructure should have been suitable to the economic foundation. Such a fixed form of thinking has seriously fettered the people's thought. Thus, the people are not bold enough to make a breakthrough in the traditional socialist theories or to conduct reform in the Russian ossified patterns. They

have been bookish in doing everything and never transgress the bounds. By so doing they had counted on it to uphold socialism. The thinking style of regarding the basic characteristics of socialism as an ossified and never-changed pattern has fundamentally run counter to the basic principles of dialectical materialism. Marxism contends that everything will incur continuous development and changes and cannot be fixed forever and that so does socialism. Engels once pointed out: "The so-called 'socialism' is not a thing unchangeable and we should regard it as a society with frequent changes and reforms as we did for other social systems." (*The Complete Works of Marx and Engels* Volume 37, p 443) He also pointed out: "At any rate, I should declare that the party I have entered has not put forward a ready-made and permanent plan. The view of distinguishing the characteristics of the non-capitalist society in the future from the current society represents an actual conclusion gained from the historical facts and from the process of development. By breaking away from these facts and the process, we will enjoy no actual theoretical value." Such a splendid exposition has most clearly indicated the socialist essence of being steadily reformed. Over the past long period, we have turned out an ossified socialist pattern just because we have run counter to the viewpoint of dialectical development. The reform advocated by Comrade Deng Xiaoping has broken the former one-sided view of only regarding the revolution as the emancipation of productive forces. By not only acknowledging the revolution as the emancipation of productive forces, but also stressing reform as for the same purpose, Comrade Deng Xiaoping's reform has also defined the target of commonly becoming wealthy by proceeding from emancipating and developing productive forces and a new socialist pattern of steady changes, improvement, and development. Thus, the understanding of socialist essence and characteristics has been truly established on the foundation of dialectical materialism. In understanding the socialist essence and characteristics from the angle of reforms, our current tasks and tasks for the coming certain period are to improve the traditional socialist economic systems unsuitable to the development of social productive forces by unswervingly following the standard of "three advantages" and to accelerate the pace in establishing the new socialist market economic systems with Chinese characteristics.

Comrade Deng Xiaoping's expositions on the essence and characteristics of socialism establish the new idea of "eliminating exploitation and polarization and ultimately achieving common prosperity," which draws a clear demarcation line from the traditional socialism characterized by "simultaneous prosperity" and from the capitalism characterized by exploitation and polarization. In capitalist countries, capitalists possess means of production and the surplus value created by workers without compensation. Therefore, the essence and characteristics of capitalism are represented by exploitation and manifested in polarization. After seizing political power, the proletariat seized back the means of production from capitalists and put them under the direct

possession of the society. This was a great progress of society. However, the traditional socialism misinterpreted the elimination of capitalism and polarization as elimination of the difference in distribution and, regardless of the uneven development of productive forces and the conspicuous difference in three aspects, attempted to achieve the goal of "simultaneous prosperity" through the coercive measure of preventing some localities and some individuals from becoming prosperous first. This resulted in de facto "egalitarianism" and "common big pot" and seriously dampened the enthusiasm and creativity of the masses. Comrade Xiaoping's idea of "eliminating exploitation and polarization and ultimately achieving common prosperity" draws a clear demarcation line not only from the capitalism characterized by exploitation and polarization, but also from the traditional socialism characterized by the idea of "simultaneous prosperity." "Simultaneous prosperity" is fundamentally different from "ultimately achieving common prosperity" because the former is always tinted with the idea of "equal poverty or equal wealth" and the latter is the ultimate goal. If we always emphasize "simultaneous prosperity," we will lose the motivating mechanism of distribution according to work. In this way, not only will we fail to attain simultaneous "prosperity," but, on the contrary, we will come to universal poverty and ultimately ruin socialism. Comrade Xiaoping's idea of "ultimately achieving common prosperity" embodies the fundamental purpose of socialist production. In our specific measures to promote this idea, we should allow some localities and some individuals to achieve prosperity first by relying on their own advantages and honest labor. Meanwhile, we should chiefly adopt economic and legal means to regulate distribution to encourage those who become prosperous first to help and lead those who fall behind and ultimately enable them to achieve common prosperity. This idea of Comrade Xiaoping's and the policies formulated based on this idea have won the support of millions of people, greatly boosted the enthusiasm and creativity of all fields, and further strengthened the cohesive and centripetal force for socialism with Chinese characteristics.

2. Deng Xiaoping's Theories Clearly Indicate the Orientation for the Reform To Establish the Socialist Market Economy System and Find a Road Compatible With the Objective Law of Socialized Mass Production for China's Socialist Modernization

All socialist countries, without exception, followed the Soviet Union's pattern to practice the planned economy system in the past several decades. Such a planned economy system, which tried to realize a balance between the total demand and total supply and between major economic ratios and a rational distribution of social resources through mandatory administrative means, was once regarded as having incomparable superiority. However, it is impossible for such all-embracing plans formulated by the government organs to cope with the objective demand of this extremely complicated and unceasingly changing large-scale, socialized production.

These plans have not only created periodical disproportion and economic fluctuation but have also seriously bound the hands of enterprises and laborers. Compared with the market economic system, these plans have exposed their negative effect of seriously hindering the development of productive forces more and more. However, when we really began to reform the planned economic system, we met with the strong resistance of the traditional planned economic concept and force of habit. The traditional socialist concept believes that the market economy is the basic characteristic of capitalism, and the planned economy is really the basic characteristic of socialism. Therefore, to reform the market orientation, we are urgently required to theoretically answer such fundamental question of whether economic economy and market economy have the nature of a system and whether it is possible to practice market economy under the socialist conditions. With the courage and daring of a great politician, Comrade Deng Xiaoping has scientifically expounded on the issues of "plans" and "markets" by combining theory with practice. As early as November 1979, when Comrade Deng Xiaoping met with Frank Gibney, deputy chief editor of *Encyclopaedia Britain* of the United States, he explicitly said: "Confining market economy to capitalist society and regarding it as a capitalist market economy is certainly incorrect" because "socialist society may also practice market economy." In 1985, Comrade Deng Xiaoping also pointed out: "There are fundamental contradictions between the socialist system and market economy," "if we are able to combine the planned economy with the market economy, then I believe that this will help emancipate the socialist productive forces and accelerate the development of the productive forces." In the spring of 1992, Comrade Xiaoping also gave an important speech during his tour to South China and elaborated more deeply on the issue of the planned and market economies. He said: "Whether we give a greater emphasis to plans or to the markets is not the difference between the true nature of socialism and capitalism. A country with a planned economy is not necessarily a socialist country because capitalist countries also have planned economies; and a country with a market economy is not necessarily a capitalist country because socialist countries also have market economies. Both the planned and market economies are economic means. These thesis of Comrade Deng Xiaoping have renewed and developed the Marxist theoretical treasure. They break the "authoritative" theory that the planned economy is the essence and characteristic of socialism; break the theoretical "restriction" that socialism cannot carry out the market economy; open up a new road for developing modernization, socialization and internationalization of large-scale production under the socialist system; clearly define a reform orientation for building the socialist market economic system and find a road compatible to the objective law of socialized large-scale production.

Carrying out socialist market economy is an inevitable demand of large-scale, socialized production. Comrade Deng Xiaoping has proposed that the fundamental

starting point of carrying out the market economy is to seek the best way to emancipate and develop the productive forces to the greatest extent. Large-scale, socialized production established on the basis of productive forces of modern times has the characteristics of an increasingly large production scale, increasingly meticulous social division of work, increasingly high level of specialization, increasingly close relations in all production links, and an increasingly strong pulling force for the unified large markets. To speed up the development of socialized large-scale production, we must regard the rational distribution of natural resources as the fundamental precondition. In the face of thousands of production enterprises and the changing market needs, attempting to rely on the "all-embracing plans" to realize the rational distribution of natural resources, to guarantee a benign cycle of social reproduction and to increase the supply of essential production on society is obviously impossible. The practice in the past tens of years proved that under the mode of planned economy, all social resources are disposed or basically disposed by the mandatory planning of the government. This seriously runs counter to the law of value, the law of supply and demand, and the law of competition. This not only gives rise to unwieldy, over-staffed, and inefficient managerial organs and makes economic development out of proportion, but also creates serious barriers between different departments and different localities as affected by seeking one's own interests, thus hampering the reasonable flow and optimized organization of production elements. Such a form of realizing the public ownership of the means of production and such a form of disposing natural resources are sharply contradictory with the socialized mass production. Since the third plenary session of the 11th CPC Central Committee, we have persisted in the reform in line with market orientation and have optimized the disposition of social resources, thus accelerating the development of the economy and scoring achievements that attract the attention of the world. Positive and negative practices prove incontrovertibly that under the socialist condition, the socialized mass production must and is also able to be geared to market economy. So long as we organically combine basic socialist systems with market economy and give full play to the basic role of markets in disposing natural resources under the macroeconomic regulation and control of the state, market economy will certainly be able to meet the objective demand of the socialized mass production, and will, as indicated by the report of the 14th party congress, "be completely able to be operated in a manner even better than that of the market economy under the capitalist condition."

Carrying out the socialist market economy conforms to the essential demand of socialism. The essence of capitalism is that a small number of capitalists occupy the means of production to exploit the surplus labor of workers; and the essence of socialism is that the laboring people become the masters of the means of production and then realize the "all-round and free development" and the common prosperity, as predicted by Marx. In the

past, although we continuously propagated that laborers are the masters of the means of production, yet, under the overcentralized planned system, enterprises were the accessories of administrative organs and had no autonomy; and staff and workers could only engage in production according to administrative directives, had no powers to occupy and arrange the means of production, could not enjoy the results of the guaranteed value and added value of the means of production and assumed no responsibility for the losses of production. In fact, between different enterprises and different workers, profits and losses are of the same, great and little contributions are of the same, and more work and less work are of the same, because workers ate from the "big common pot" of enterprises and enterprises ate from the "big common pot" of the state. As a result, enterprises could not feel that they were the main body of management, and laborers could not feel that they were the masters of enterprises. They did not cherish the public means of production, like they cherished the means of consumption in their own houses, and their initiative, enthusiasm, and creativity were seriously dampened. Such defects of the traditional planned economic system run counter to the essential demand of socialism. In carrying out the socialist market economy, we should rationalize the property right relations and make clear the ownership of means of production in line with the principle that, which is an important prerequisite, whoever makes the investment should be the owner, should be benefited, and should take responsibility and risks. So, enterprises will become the legal person entities and the main bodies of market competition that are independent in management, responsible for their own profits or losses, and regulate themselves. At the same time, enterprises will enjoy the powers of disposing and handling their property rights and take responsibility and risks for the losses of their assets. Under the socialist market economic pattern which embraces diverse forms of ownership, diverse forms of distribution, and diverse forms of management of assets, laborers are either owners of individually run solely-funded enterprises, or shareholders of shareholding and shareholding cooperative enterprises, or workers of the state-owned enterprises that enjoy the right of disposing the legal person property, and who are closely bound up with the destiny of enterprises. Under any circumstances, laborers will become masters in terms of the ownership of property rights and the concern of the personal interests (this is qualitatively different from the labor employment system of the capitalist market economy.) Laborers will be aroused with the sense of being the masters on a responsibility basis, enthusiasm, and creativeness through equal competition, selection of the good, and elimination of the bad so that we will upgrade, to the maximum, the labor productivity and accelerate the pace of stepping toward the common wealth. Thus, we can see that the essential requirements of socialism will better be embodied through the development of the socialist market economy.

Developing the socialist market economy is an essential orientation that we must follow in the course of conducting reform and opening to the outside world. Comrade Deng Xiaoping's requirement for developing the market economy conforms to the trend of internationalizing the development of the world economy and making the world economy an integral whole. Now, to speed up the economic development, all the countries in the world must use both international and domestic advantages and pioneer both international and domestic markets to realize the trans-national circulation and optimum organization of the production factors and merge themselves with the world economic system. So, we are required to put our national economy into the process of making the regional and global economy as a whole. But, the link to join this kind of process is the market economy. Now, more than 90 percent of the countries and regions in the world are carrying out the market economic system. Particularly, all the developed countries are carrying out this system. Only when we develop the market economy and handle affairs according to the international practice will we be able to coordinate our economy with the market economy that is generally being carried out in the world at present and to merge the economy of our country with the development of the world economy. On the contrary, our economy will be excluded from the process of making the world economy an integral whole, and our country will not be able to realize the modernization drive.

3. Deng Xiaoping's Theory Has Prominently Stressed the Basic Thinking of "Grasping With Two Hands" and Has Provided a Firm Political Guarantee for Our Country's Socialist Modernization.

Our country conducts reform, opens itself to the outside world, and develops modernization under the circumstances where the socialist undertakings in the world suffer serious setbacks and are at a low tide. The international hostile forces constantly have an idea to bring our country's development into line with their capitalist orbit. Our reform and open policy is being carried out under the situation where the "leftist" thinking is seriously fettered and the rightist obstacles continue emerging. So, it is certain that the implementation of the policy touches the originally unreasonable rights and interest patterns and it is necessary to readjust a series of new interest relations. It is possible to produce social repercussions if we fail to carry out this policy. Under this circumstances, without firm ideological and political guarantees, it will be impossible that the reform, opening up, and modernization are smoothly carried out. Therefore, in the historical process of reform and opening up, Comrade Deng Xiaoping has constantly exhorted the whole party to persist in the basic principle of "grasping with two hands" and "ensuring that two hands should be tough." He pointed out: "Four modernizations must be grasped with two hands and cannot be accomplished with only one hand." We should grasp the material civilization with one hand and the spiritual civilization with the other, grasp the economic construction with one hand and democracy and legal system with the other,

and grasp reform and opening up with one hand and the blows against criminals with the other. Generally speaking, we should grasp the economic construction, reform, and opening up with one hand and the political and legal guarantee for serving the economic construction, reform, and opening up with the other so as to comprehensively implement the party's basic line of one center and two basic points.

The aim at stressing the necessity to "grasp with two hands and be sure that both hands should be tough" is to overcome the tendency of "being tough with one hand and being weak with the other." Comrade Deng Xiaoping repeatedly exhorted us that the failure to firmly grasp the economic construction, reform, and opening up or to try every possible means to promote the economic construction will finally subjugate the party and the country and spell an end to socialism. Simultaneously, if we are weak with the hand in grasping the political and legal guarantee for serving the economic construction, reform, and opening up; adhering to the four cardinal principles; eliminating corruption; or dealing blows to various kinds of economic activities, "the other aspects will become degenerated and the overall economy will be affected and become degenerated." Therefore, the issue of "grasping with two hands" is not an issue relating to the ordinary work forms and methods. It is an important principle and policy that must constantly be grasped in the entire socialist historical course.

Only "giving attention simultaneously to two tasks"—material civilization and spiritual civilization—and achieving success in them mean the socialism with Chinese characteristics. While emphasizing the importance to succeed in material civilization, Comrade Deng Xiaoping has attached great importance to building spiritual civilization. In the important speeches given during his south China inspection, he pointed out: "Not only should economic construction be promoted, but also social order and social conduct should be improved, ...only this is the socialism with Chinese characteristics." We can see from this that Comrade Xiaoping does not merely regard spiritual civilization as the foundation for material civilization, he regards it as an indispensable and important part of the socialism with Chinese characteristics. Thanks to the deepening of reform and opening up and the promotion of the modernization drive, people have further emancipated their minds, continuously updated their concepts, and displayed an indomitable spirit of self-improvement. We should also note, however, due to the influence of the corrupt feudal and bourgeois ideas, money worship has gained ground, which has led to some distorted ideas on value, deals between power and money, pleasure- and profit-seeking, and resurgence of the ugly things of the old society, thus seriously corroding the body of the party and poisoning social conduct. Whether social order and social conduct are good or bad is the direct reflection of the degree of spiritual civilization. If we do not make great efforts to overcome corrupt phenomena and correct unhealthy trends, "a world where embezzlement, theft, and bribery

run wild will take shape," and "the entire economy will deteriorate," just like Comrade Xiaoping said. Corrupt phenomena and unhealthy trends are not incurable. Our party and government cleaned up the filth and mire left over from the old society soon after the founding of new China. This fact eloquently proved that the communist party is capable of effectively punishing corruption and correcting the unhealthy trends in society. The key of the issue is whether we make true efforts in this work. As long as we make true efforts, we will achieve good results. Some people worry that opposing corruption will affect economic development. Such a view that sets these two endeavors against each other cannot hold its ground in theory and is also very harmful in practice. In fact, the endeavor of reform, opening up, and economic construction and the endeavor of opposing corruption supplement each other and not oppose each other. Only by deepening the reform for the socialist market economy to form a mechanism of fair competition in most areas of the entire economy and to improve democracy and legal system of the superstructure in order to conform to the system, can we create basically the material foundation and social conditions for checking corruption; and only by resolutely punishing corruption and correcting unhealthy trends, can we ensure that reform, opening up, and economic construction advance along a correct direction, can we increase the masses' trust in the party, and can we enhance the centripetal force and cohesive force for socialism with Chinese characteristics. Therefore, we should, at all times, pay close attention to material and spiritual civilizations and make them successful.

Only "giving attention simultaneously to two tasks"—persisting in reform and opening up and upholding the four cardinal principles—can we have the ideological foundation for the unity and solidarity of our 1.1 billion people. Reform and opening up constitute a road to national strength, and the four cardinal principles are the foundation for building the country. It is because our party has always adhered to these two points since the third plenary session of the 11th party Central Committee that China win the great achievements in socialist modernization that attract worldwide attention. But, some comrades maintain that the reform and open policies will be withdrawn when the four cardinal principles are stressed and that the issue on adhering to the four cardinal principles will become less important when the extent of reform and opening up is intensified. The key to this problem is that we fail to actually grasp the understanding about reform, opening up, and the four cardinal principles in line with the foundation of the theory on building socialism with Chinese characteristics. Reform and opening up are the self-improvement of the socialist system but by no means total westernization. Therefore, reform and opening up should fundamentally be guaranteed by the four cardinal principles. The four cardinal principles are characterized by opening up, dialectical development, reform, and renovation. By no means are the four cardinal principles

equal to the understanding about some Marxist principles, some bookish dogmas, some unscientific ideas about socialism, even some distorted socialist ideas, or some inaccurate ideas that are not suitable to the situation in the initial stage of socialism. But, we should ceaselessly gain the new contents of the times from reform, opening up, and modernization. In a country with so many nationalities, like China, only when we focus on the central link of economic construction, persist in the reform and open policy, and adhere to the four cardinal principles will there be an ideological foundation for uniting with the 1.1 billion people and a political orientation with which the people of various nationalities cooperatively go forward.

Only when we "grasp with two hands" and watch out for rightism with the focus on leftism, will we be able to create a stable political environment for reform, opening up, and modernization. Comrade Deng Xiaoping repeatedly pointed out: "The building of socialism should be carried out in a well-guided and orderly manner under the stable and united conditions." On the contrary, the building of socialism will be in a mess, the nation will be in the state of disunity, and even a situation characterized by disintegration and internal disorder will emerge. Then, we will be hopeless and accomplish nothing and it will be a disaster for the people. We must firmly remember the lessons drawn from the mistakes by the former Soviet Union and Yugoslavia. Fundamentally speaking, to keep stability, we should promote our economic construction. We must deepen reform in order to realize this goal. To deepen reform, the ideological front should watch out for rightism with the focus on leftism. With "leftist" ideas, some people regard import and development as capitalist things and think that the main dangers of peaceful evolution are from the economic sphere. They essentially have an idea to go back to the previous old roads. The people are not satisfied at this. Affected by these ideas, the economic construction will not be promoted and the long-term order and stability of the state will fundamentally be sabotaged. Under the influence of the long-term habitual forces with the idea that "leftism" is better than "rightism", a specific social foundation with "leftist" things has taken shape. These things will appear once an opportunity arrives. Therefore, opposing "leftism" is a long-term task. There are also rightist things. Disturbance is a rightist thing. Once bourgeois liberalization spreads unchecked, the consequences will become considerably serious. Just as what Comrade Xiaoping said that although we have carried out the reform and open policies for more than 10 years, "only such a situation emerges. But the situation can be collapsed in a night." We must not be weak in handling the rightist things, particularly the disturbances caused by the hostile forces. We should be good at using the forces of the people's democratic dictatorship to consolidate the political power and the achievements in reform and opening up. Exercising dictatorship over hostile forces is a just thing but not in the wrong. Only by so doing will we be able to

create a stable social environment and to ensure the smooth progress of the socialist modernization.

Reportage on Jilin Secretary's Activities

Addresses Meeting of Cadres

SK0112043493 Changchun JILIN RIBAO in Chinese
19 Nov 93 p 1

[By reporter Guo Yuxue (6753 3768 1331): "Make Arrangements for Studying Guidelines of the Third Plenary Session of the 14th CPC Central Committee"]

[Text] This morning, the provincial party committee held a meeting of party-member responsible cadres of provincial-level organs at the rostrum of the provincial guesthouse to rely and implement the guidelines of the Third Plenary Session of the 14th CPC Central Committee.

The meeting was presided over by Comrade He Zhukang. Comrade Gao Yan relayed the important speech of Comrade Jiang Zemin delivered at the Third Plenary Session of the 14th CPC Central Committee.

After the relay, Comrade He Zhukang gave a speech on conscientiously studying and implementing the guidelines of the Third Plenary Session of the 14th CPC Central Committee.

He Zhukang said: The Third Plenary Session of the 14th CPC Central Committee is an important meeting held at the time when our country's reform, opening up, and the modernization cause have entered a new stage of development. The plenary session adopted the "decision of the CPC Central Committee on the issues concerning the establishment of the socialist market economic system." This is a major strategic policy decision of the central authorities. It fully embodies Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics and the guidelines of the 14th party congress and systematizes and specifies the objectives and principles defined by the 14th party congress on building the socialist market economic system. It is a program of action for accelerating the building of the socialist market economic system. The "decision" makes a profound theoretical exposition and is very practical. It has a major guiding significance in our country's reform, opening up and modernization and will produce a profound and far-reaching influence. The capability of formulating beforehand the overall plan on building the socialist market economic system, which is an unprecedented huge pioneering project, shows that our party has a deeper grasp of the internal law on building socialism with Chinese characteristics and that our party has become more mature theoretically and politically and its leadership level has improved. Conscientiously implementing the central "decision" will surely enable the whole party and the people of various nationalities across the country to further unify understanding, enhance spirit, and more effectively promote reform, opening up, and economic construction.

He Zhukang stressed: At present, our principal task is to conscientiously study and implement the guidelines of the Third Plenary Session of the 14th CPC Central Committee and concentrate greater energy on accelerating reform.

First, we should clearly understand the situation and unify thinking. At present, the whole country has witnessed economic development, political stability, national unity, and social progress. The general situation is excellent. Generally speaking, the development of the current international situation is favorable to us. Like other parts of the country, our province has achieved gratifying achievements in reform, opening up, and economic construction. We are now facing the excellent opportunity of reform and development. Such a historical opportunity will not come so often. We must seize the opportunity, concentrate greater energy on accelerating and deepening reform, put the building of the socialist market economic system above all current tasks, link the hearts of the higher and lower levels, and encourage all sectors to make joint efforts to accelerate the building of the socialist market economic system and to develop the national economy in a sustained, speedy, and sound manner.

Second, we should conscientiously study the documents of the plenary session and grasp the true essence of the guidelines. All localities and departments should also conscientiously study the "decision" of the Third Plenary Session of the 14th CPC Central Committee, the communique, and Comrade Jiang Zemin's important speech and understand the essence of the guidelines.

The study of the documents of the third plenary session should be combined with the study of Volume 3 of *Selected Works of Deng Xiaoping*, the summarizing of experiences, and current practices. During study, we must maintain close relations between ideology and work reality, pay attention to clarifying confusion, eliminate doubts and misgivings, and solve ideological obstacles. In the course of study and implementation, we should properly handle the relationship between reform and development; properly handle the relationship between strengthening macroeconomic regulation and control and giving play to the market role; uphold the principle of taking a two-handed approach; and fully mobilize all positive factors and give play to the enthusiasm of all sectors.

Third, we should implement the measures while maintaining close relations between reality and study. In implementing the "decision", we remain closely connected to reality and grasp the major points. In reform, we should act in line with the central demands of making special efforts to establish the modern enterprise system, developing the markets of the essential production factors, and reforming the banking system, the financial and taxation system, the investment system, the planning system, and the foreign trade system, ponder the systems systematically in line with our province's actual situation, study them conscientiously, and offer specific views

for implementation. Members of the standing committee of the provincial party committee, vice governors and leading comrades of the provincial-level departments should step up efforts to conduct investigations and studies on the basis of conscientiously studying and understanding the guidelines of the "decision," and offer suggestions for its implementation. The provincial party committee plans to hold the second plenary session of the sixth provincial party committee in early December. The central topic for discussion at the plenary session will be reform, and the session will define the overall plan, work priorities, and major measures for our province to implement the guidelines of the Third Plenary Session of the 14th CPC Central Committee.

Fourth, we should emancipate the mind, seek truth from facts and do our work in a creative way. Leading cadres should take the lead in emancipating the mind, seeking truth from facts, and actively participating in the great practice of reform and opening up. We should further break the shackle of the planned economic pattern in our ideology, concepts and action, and make explorations actively in line with the demand of building the socialist market economic system. At present, the most fundamental way for judging whether leading cadres have realistically upheld the ideological line of emancipating the mind and seeking truth from facts is to see whether they can correctly grasp the "decision," implement it in a creative manner, make new strides in reform and opening up, and make new progress in solving the in-depth contradictions that restrict economic development.

Fifth, we should enhance spirit and go all out in work. The mental attitude of cadres and the mental outlook of the masses will determine the situation of reform, opening up and economic development to a great extent. With a good mental attitude, we can solve all contradictions, overcome all difficulties and grasp opportunities we may encounter. At present, our country's reform of the economic system has entered a period of tackling the most difficult problems, and the breadth and depth of reform is incomparable. The Party Central Committee has called on the party committees and governments at all levels to view the overall situation with the party's basic theory and basic line and concentrate greater efforts on accelerating reform. This requires that all the more of our cadres at all levels enhance their spirit, advance in spite of difficulties, go all out in work, and work hard to blaze new trials.

Since reform is a revolution, it is inevitable for us to encounter all sorts of difficulties and resistance. A good mental attitude will help us to unceasingly deepen reform in the course of overcoming difficulties and resistance. The mental attitude is determined by our firm conviction and lofty sentiment. We must pay great attention to fostering lofty ideals, strengthen political conviction and cultivate a lofty sentiment.

Sixth, we should further strengthen party building and the party's leadership. It is necessary to realistically

strengthen the party's ideological construction, organizations and the work style. The key to success is to use Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics to arm the whole party, conscientiously study Volume 3 of *Selected Works of Deng Xiaoping*, raise the political level, the ideological level and the leadership level, and enhance the consciousness and steadfastness of implementing the party's basic line. In addition, we should strengthen investigations and studies and improve the work style and the way of thinking. It is necessary to resolutely implement the party's principle on democratic centralism, improve the inner party political life, strictly enforce the party's discipline, oppose liberalization, enhance the sense of the overall situation, work in unity, and make joint efforts to invigorate Jilin and build a developed border province near the sea. We should uphold the principle of taking a two-handed approach and be tough with both. We should realistically grasp the anticorruption struggle well, do a better job in comprehensively improving public security, deal strict blows to all sorts of serious criminal offenses and economic criminal activities, and provide a good social environment for reform, opening up and economic construction. Provincial-level incumbent party-member leading cadres and retired veteran comrades, incumbent and retired party-member cadres at and above the deputy chief level of provincial departments, and members of the leading bodies of colleges and universities in Changchun, a total of more than 800 people, attended the meeting.

Visits Textiles Company

SK0112051393 Changchun Jilin People's Radio
Network in Mandarin 2300 GMT 30 Nov 93

[Text] According to the statistics compiled on 30 November, a provincial textiles import and export group company created \$116.88 million in foreign exchange this year, an increase of 50 percent over last year.

On the afternoon of 30 November, in spite of the snow, He Zhukang, secretary of the provincial party committee, and Su Rong, standing committee member and secretary general of the provincial party committee, visited this company to cordially salute the staff members and workers making great contributions to the province's foreign economic relations and trade.

Comrade He Zhukang first visited staff members and workers of the business section who were on duty, viewed the samples of exports, and listened to the work report made by a responsible comrade of the company. Then, he had a talk with some comrades. The talk was held in a warm and vivid manner, and participants took turns taking the floor. They spoke glowingly of the development of the company and the growth of individuals and pledged to make even greater contributions to promoting the province's foreign trade. The scene was very touching.

He Zhukang said: We should learn from your good spiritual state of going all out to make progress. You have not only created the enterprise spirit of working hard to create high-class achievements but have also achieved what you have said. You have continuously translated spiritual force to materials force and effected a profound change in the outlook of enterprise. Such a style of work is very valuable. What you have said is good. That is, what we are aimed at is to make ourselves strong, making our enterprises, our province, and our country strong. If we all have such an understanding, our pace of development will certainly pick up.

He Zhukang said: Now, we have an excellent opportunity to accelerate development. We hope that textile companies will further expand the scale of business and further improve the level of products to make even greater contributions to building Jilin into a developed border near-the-sea province.

Taipei Hosts Argentine Economic Minister

*OW2911172793 Taipei CNA in English 1404 GMT
29 Nov 93*

[By Y. C. Tsai]

[Text] Taipei, Nov. 29 (CNA)—Economic Affairs Minister P. K. Chiang said Monday [29 November] that the visit here by Argentina's Economics Minister Domingo Cavollo marks a step forward for ties between the two countries.

Chiang had invited then-Foreign Minister Cavollo to visit Taiwan in December 1990, when Chiang was in Argentina.

The two met for one hour, during which Cavollo expressed the hope that Taiwan would help his country develop small and medium businesses as well as open its markets to Argentine beef and fruit.

Chiang pointed out that Taiwan already allows the importation of Argentine wine and meat products, adding that the fruit-import issue could be solved through bilateral negotiations under the General Agreement on Tariffs and Trade.

Noting that Argentina boasts rich resources in forestry, fishery, and tourism, Chiang urged the South American country to hold investment seminars in Taiwan with an eye to wooing a growing number of Taiwan investors.

To this end, he said, Buenos Aires should consider simplifying the visa process for Taiwan visitors.

Cavollo pledged that he would do his best to promote cooperative ties between Taiwan and Argentina.

The Argentine minister arrived in Taipei Sunday for a three-day visit.

Taipei, Argentina Sign Investment Agreement

*OW3011091193 Taipei CNA in English 0748 GMT
30 Nov 93*

[By Danielle Yang]

[Text] Taipei, Nov. 30 (CNA)—Vice Economics Minister Hsu Ke-sheng and Guillermo Harteneck, Argentine minister of economy and public works and services [title as received], signed a bilateral investment promotion and protection agreement Tuesday [30 November].

The pact is expected to boost economic and investment ties between the two countries, Hsu said.

Argentina is the second largest country in Central and South America, Hsu said, adding that its economic reform and liberalization programs have been very successful and are touted by the international community as models of development.

The investment promotion and protection agreement will encourage more Taiwan investment in Argentina, Hsu said.

Currently, more than 600 Taiwan manufacturers made investments in the South American country.

Banker Visits Mexico; Discusses Trade Ties

*OW0112090093 Taipei CNA in English 0742 GMT
1 Dec 93*

[By Huang Kwang-chun and Danielle Yang]

[Text] Panama City, Nov. 30 (CNA)—Central Bank of China (CBC) Governor Samuel Shieh said the Republic of China [ROC]'s trade ties with Mexico have greatly improved and bilateral financial cooperation will continue to grow.

Shieh made the remarks Tuesday while winding up a visit to Mexico where he was attending the 33rd annual board meeting of the Central American Bank for Economic Integration (CABEI).

During his stay in Mexico, Shieh met with Bank of Mexico President Miguel Mancera to discuss the economic relationship between Taiwan and Mexico.

He also attended a dinner banquet hosted by National Bank of Foreign Trade chief executive Jose Angel Gurria and met with Mexican industrialists and businessmen to further understand economic development and fiscal policy in the Central American country.

Shieh told a CNA reporter that both countries share common views and dialogue channels since they both are members of the Central American Bank, Asia-Pacific Economic Cooperation Forum, and Bank for International Settlements.

The ROC set up a Far East trade service center in Mexico City in 1989 and the newly-established Taipei Economic and Cultural Office in July 1993 is expected to further boost trade ties, he said.

After the North America Free Trade Agreement (NAFTA) takes effect in January 1, 1994, even more Taiwan businessmen are expected to make investments in Mexico, Shieh added.

Two-way trade between Taiwan and Mexico totaled US\$620 million in 1992 with Taiwan enjoying a US\$241 million surplus.

Taipei, Australia Enter Into Arbitration Pact

*OW2911173093 Taipei CNA in English 1407 GMT
29 Nov 93*

[By Bear Li]

[Text] Taipei, Nov. 29 (CNA)—The Republic of China [ROC] and Australia Monday [29 November] entered into a commercial arbitration cooperation agreement.

Wan Ling-lin, chairman of the ROC's Commercial Arbitration Association, said Taiwan hopes to become a signatory of the International Arbitration Agreement through its increased exchanges with other countries by hosting international arbitration conferences.

Taiwan has already signed arbitration pacts with Japan, South Korea, Spain, Thailand, the United States, Switzerland, South Africa, Hungary, Panama, and Nigeria.

Meanwhile, the 1993 International Conference on Arbitration opened here with representatives from some 200 countries in attendance.

Wang said in the opening ceremony that Taiwan will soon sign arbitration agreements with Germany and Singapore.

CEPD Urges Structuring To Help GATT Bid

OW3011093393 Taipei China Broadcasting Corporation News Network in Mandarin 2300 GMT 26 Nov 93

[From the "Hookup" program]

[Text] According to the Executive Yuan's Council for Economic Planning and Development [CEPD], Taiwan must expedite industrial restructuring if the Uruguay Round of trade talks is concluded by the end of this year; otherwise, its efforts to join GATT face unfavorable prospects. Here is a report by Hsiao Pei-lu:

[Begin Hsiao recording] The Group of Seven at its summit in Tokyo last July proclaimed its intention of bringing the Uruguay Round of trade talks to a conclusion by the end of this year. The rule-making group under the Executive Yuan's CEPD has released a news bulletin in which it cautions about possible effects on our industries of the conclusion of the Uruguay Round of talks. According to the CEPD, a task force is currently reviewing our country's admission to GATT. Other countries have set several demands regarding our country's economic and trade restructuring in accordance with GATT's norms and various agreements reached during the Tokyo Round. Some nations have even urged our country to completely accept all agreements. According to the CEPD, our country will face greater pressure and must expedite industrial restructuring if the Uruguay Round of trade talks is concluded by the end of this year; otherwise, our efforts to join GATT will be adversely affected. As analyzed by the CEPD, we adopt policies in violation of GATT rules regarding foreign investment in our industries. We face pressure to review several incentive measures and the ratio of domestic sales of goods produced by processing and export zones. In agriculture, rice, peanuts, red beans, chicken, (?milk), and other farm produce whose imports are currently subject to quotas and tariffs still account for 50 percent of our total agricultural imports. Our country will be forced to revise its policies on these imports, as well as its system of guaranteeing rice prices and purchasing rice. In the service sector, some service industries in our country are only open to specific countries, contrary to rules governing most favored nation treatment. Our financial, transportation, and telecommunications sectors still face strong pressure for liberalization. In intellectual property rights, our country's laws and regulations on intellectual property rights apply only to

countries that have entered into agreements for reciprocal protection. In the future, we must revise our policy on intellectual property rights pertaining to trade, which is not covered by these laws and regulations.

This has been a report by China Broadcasting Corporation reporter Hsiao Pei-lu from the CEPD. [end recording]

Air Forces Receives First 10 Indigenous Fighters

OW3011022493 Taipei LIEN HIO PAO in Chinese 20 Nov 93 p 1

[Text] Ten prototype "Ching-kuo" fighter planes, which were manufactured by the Aviation Industrial Development Center, were formally handed over yesterday to the Air Force. The center said assembling work of the remaining 120 production-model fighter planes had begun and production was expected to be completed by the end of 1998.

The center said, after a sweeping review of the national defense budget and the Air Force's overall combat capabilities, the "Ching-kuo" fighter planes production plan had been readjusted to 130 planes in light of decisions by the U.S. and France to sell new fighter planes to the Republic of China. The first 10 "Ching-kuo" fighter planes are prototypes, and the remaining 120 are production models.

The center pointed out that the prototype planes were delivered to the Air Force primarily for testing and assessing their advance combat capabilities, for training and maintenance purposes, and for equipment verification purposes. The Air Force will also test the prototypes' combat effectiveness and their applicability, and will assess their strengths and drawbacks so the Air Force will be able to quickly place itself in combat readiness and defend the country's airspace after all planes are commissioned.

The center said several production-model "Ching-kuo" fighter planes were currently being assembled and the assembling work of 120 planes was expected to be completed by the end of 1998.

Su Chi Becomes MAC Vice Chairman

OW0112100493 Taipei CNA in English 0817 GMT 1 Dec 93

[By Debbie Kuo]

[Text] Taipei, Dec. 1 (CNA)—Dr. Su Chi, deputy director of National Chengchi University's Institute of International Relations, was appointed vice chairman of the cabinet-level Mainland Affairs Council (MAC) Wednesday [1 December].

Su is replacing Chiao Jen-ho, who was named vice chairman and secretary-general on the semi-official Straits Exchange Foundation recently.

Su, 44, a native of Hangzhou, Zhejiang Province, graduated from Taipei's National Chengchi University. He

obtained a master's degree in international relations from Johns Hopkins University and a doctorate from Columbia University in New York.

Before his appointment to MAC, Su was assistant professor of diplomatic sciences at Chengchi University, a member of the cabinet-level Research, Development and Emulation Commission, and deputy director-general of the ruling Kuomintang's Mainland Operations Department.

MAC has two other vice chairpersons Kao Koong-lien and Yeh Chin-fong.

'All-People Joint Television Station' Begins

*OW1911133393 Taipei China Broadcasting
Corporation News Network in Mandarin 2300 GMT
15 Nov 93*

[From the "Hookup" program]

[Text] The much-ballyhooed all-people joint television station finally broadcast programs from 2100 to 2200 last night. The station broadcast a one-hour program as scheduled.

People in the metropolitan Taipei area were able to watch the program. (Hsiao Jing-hong), who heads the all-people joint television station, made use of Channel 13—a special channel for broadcasting videotapes and the one which the Communications Ministry had allotted—to broadcast programming.

Clear program reception was reported in Taipei's Chung Cheng, Chung Shan, Ku Ting, and Ta An Districts. Reception in the Nei Hu and Chih Chih areas was reported as being not very good. A Government Information Service source said that the station probably broadcast from an area near the Chu Tzu Mountain transmission station.

Hong Kong

Joint Liaison Group To Meet in London 7-9 Dec

OW3011132593 Beijing XINHUA in English 1305
GMT 30 Nov 93

[Text] Hong Kong, November 30 (XINHUA)—The 28th meeting of the Sino-British Joint Liaison Group is scheduled to be held in London from December 7 to 9.

This was announced here today by the Chinese representative office of the Sino-British Joint Liaison Group.

Ambassador Guo Fengmin, senior Chinese representative, will attend the meeting.

Also present at the meeting on the Chinese side will be Luo Jiahuan, resident representative, Yang Youyong, representative and head of the foreign affairs department of XINHUA NEWS AGENCY Hong Kong branch, Liu Junbao, resident representative, Wang Weiyang, representative and councillor of the Hong Kong and Macao Affairs Office under the Chinese Ministry of Foreign Affairs as well as experts and staff members concerned.

XINHUA Official on Continuation of UK Talks

HK0112061293 Hong Kong WEN WEI PO in Chinese
1 Dec 93 p 11

["Zhang Junsheng Stresses That Electoral Arrangements Must Be Made Through Sino-British Consultations and That the Chinese Side Cannot Accept Unilateral Action by the British Side"]

[Text] Zhang Junsheng, deputy director of XINHUA News Agency Hong Kong Branch, pointed out yesterday that during the 17th round of Sino-British talks, it was the British side who suggested a halt to the first-phase negotiations. He stressed that the arrangements for the 1994 and 1995 elections must be discussed and agreed upon by both the Chinese and British sides and that if the British side takes unilateral action in conditions whereby no agreement has been reached, the Chinese side will never accept it.

Zhang Junsheng made these remarks last night when attending the party celebrating the founding of the Industrial and Commercial Federation of various industrial districts in Hong Kong.

Zhang Junsheng said: We had hoped that the 17th round of talks could reach an agreement and some problems could be solved and the Chinese side had also worked hard and made many concessions. But the British side did not want to reach an agreement and even said it wanted to halt the first-phase negotiations. When the British side insisted on doing that, the Chinese side had no answer.

On the question of whether the Sino-British talks can continue, Zhang Junsheng stressed that it depends on the sincerity of the British side and that if the British side has the sincerity, talks can continue.

He said: "We still hope that the British side can return to the foundation of the 'three conformities' and properly carry on the Sino-British talks on the arrangements for the 1994 and 1995 elections in Hong Kong. There is a great deal of work to be done in the latter phase of the transitional period and there are only three years and seven months left. When China and the United Kingdom can cooperate, it is conducive to Hong Kong's prosperity, stability, and smooth transition. We hope that they will not erect any more obstacles. The talks have now reached the 17th round. That is a long time but why must they erect obstacles to the issues which can be easily settled? Why must they make it impossible to continue the talks?"

Yesterday afternoon, while attending a party for exchanges between Hong Kong and Guangdong in the World Trade Center, Zhang Junsheng said that China and Britain have already conducted 17 rounds of talks on the arrangements for the 1994 and 1995 elections in Hong Kong but have yet to reach an agreement, even a preliminary agreement; we regret to see this situation and are disappointed but everyone knows that this is not caused by our actions.

Zhang Junsheng said that it has been more than one year now since Patten announced his political reform package and the controversy about the arrangements for the 1994 and 1995 elections has been a constant worry to the Hong Kong people during this time. The Chinese side has always hoped to make a breakthrough and reach an agreement as soon as possible during the talks and, to this end, it has applied much effort and made many concessions.

He pointed out that originally, before the 17th round of talks, the foreign ministers of the two countries said in New York that the method of "tackling the easier problems first" would be adopted to solve problems. People therefore thought that this round of talks could make a breakthrough. However, the British side eventually did not want to reach an agreement.

He said: "If the British side has sincerity and is willing to return to the negotiating table, we totally welcome them. Just as Director Lu Ping has said, if the British side wants to continue the talks, it does not matter how many rounds there are going to be."

Daily Expects Partial Reform Bill To Be Tabled

HK0112020093 Hong Kong SOUTH CHINA
MORNING POST in English 1 Dec 93 pp 1, 7

[By So Lai-Fun]

[Text] The Government is expected to go ahead with tabling a partial bill covering the less contentious issues of the 1994/95 three-tier elections but liberal legislators have vowed to amend it to include all other elements of the 1995 Legislative Council [Legco] polls.

China's renewed warnings against Governor Chris Patten's presenting any bill to the legislature failed to stop

the legislative process as the Executive Council [Exco] yesterday gave the green light for the move.

Mr Patten is expected to announce the decision tomorrow during his question-time session with legislators.

The partial bill, covering voting age, voting method and abolishing the appointed seats of the municipal and district bodies, is a signal to Beijing of Britain's intention to continue negotiations on the remaining issues.

But the United Democrats were dissatisfied with this tactic and announced that they would seek to add amendments that increase the number of directly elected seats in the Legislative Council from 20 to 30 in 1995 and include the Patten proposals to enfranchise the functional constituency polls to cover 2.7 million eligible voters.

The vice-chairman of the United Democrats, Yeung Sum, said the party was strongly against de-coupling the political package and would amend any bill that contained only part of the Governor's reform package.

Mr Yeung said the party's platform was for the number of directly elected seats to expand by 10 to a total of 30 and that the 10 seats from the Election Committee should be dropped.

Members would also put forward the Governor's proposal for the nine new functional constituencies.

They would vote for the partial arrangements proposed by the Government only if the amendments were rejected, said Mr Yeung.

He reiterated they were not suggesting the talks should be aborted, saying that they could continue during Legco's scrutiny of the bill.

"If the Chinese side is sincere, they can always carry on with the talks bearing in mind that time is limited," Mr Yeung said.

"If the Government does not table any bill this month then Mr Patten will have again failed to live up to his word that there are weeks rather than months remaining."

Noting that the amendment had to be approved by the Legco President, Mr Yeung said a legal adviser had suggested there would be no technical problem about this because the bill was first gazetted in April as a full package.

However, the majority of Legco members had reservations about such a move, saying it was detrimental to the talks.

Meeting Point legislator Fred Li Wah-ming said he personally did not support the amendment to increase the number of directly-elected seats to 30.

"It is tantamount to calling an end to the talks. Neither China nor Britain wants to take on such a responsibility.

Are we legislators volunteering to be responsible for ending the talks?" Mr Li asked.

Frederick Fung Kin-kee from the Association for Democracy and People's Livelihood said there was no rush to table the whole electoral package.

It is understood that the Government has not yet decided whether to present the bill on December 8 or December 15. That will depend on when officials can complete all the preparations for presenting the bill.

Also included in the bill, it is understood, is the amendment allowing deputies of the Chinese National People's Congress (NPC) to participate in the three-tier elections.

It is meant to be a conciliatory gesture to China as currently the NPC delegates are barred from taking part in the polls.

Mr Patten said after the 3 1/2-hour Exco meeting that members had considered the outcome of the 17 rounds of talks and China's remarks at the 17th round. He would announce the result of deliberations tomorrow.

Magazine Says Reform Package Causes 'Problems'

HK0112065093 Beijing ZHONGGUO XINWEN SHE in Chinese 0838 GMT 30 Nov 93

[Report: "A Signed Article in TZU CHING Says That the Sino-British Talks Have Been Unable To Solve Problems Because the British Side Is Unwilling To Give Up Patten's Constitutional Reform Package"]

[Text] Hong Kong, 30 Nov (ZHONGGUO XINWEN SHE)—A signed article in the latest issue of TZU CHING magazine, which will be published soon, pointed out: During the Sino-British talks, the British side has never really come back to the course of complying with the Sino-British Joint Declaration, the Basic Law, and the agreements and understandings previously reached. They have circled, set a deadline, and even threatened to suspend the talks in a bid to hang onto Patten's illusory constitutional reform package, which violates the principle of the "three conformities." This is the reason why the talks have failed to solve the problems for such a long time.

The article said: After the British cabinet meeting, the British side expressed its willingness to separate the issues as suggested by the Chinese side. British Prime Minister Major wrote to Premier Li Peng, hoping that the talks would be stepped up. During the talks held shortly thereafter, however, the British side insisted that some issues concerning the arrangements for the Legislative Council elections, scheduled to be discussed later, should be resolved along with the issues concerning the arrangements for the 1994 elections, thus creating new obstacles.

The article added: The key to the success of the talks lies in the two sides genuinely following the principle of the "three conformities." If they stick to this principle,

difficult problems can be turned into easy ones; otherwise, easy problems will turn into difficult ones, and even the initial agreements, if any, will become meaningless, because, if this principle is ignored, any arrangements for the 1994-95 elections will be out of the question.

The article continued: Maintaining its consistent position, the Chinese side sincerely hopes to step up the talks to reach an agreement as soon as possible in order to facilitate a smooth transition and transfer of sovereignty. If the two sides can reach an agreement which tallies with the principle of the "three conformities," it will help restore cooperation in handling Hong Kong issues and will also contribute to extensive cooperation in the long term. While adhering to this principle, the Chinese side has and will make efforts toward this end and is willing to show the greatest degree of flexibility.

The article said: However, the success of the talks does not solely depend on the Chinese side; rather, it depends on whether the British side has good faith and is willing to return to the course of the "three conformities." If the British side persists in seeking a solution that deviates from the principle of the "three conformities," their pledge to promote cooperation or reach agreement amounts to a lie. If the British side unilaterally submits Patten's constitutional reform program—which may be amended or may not—to the Legislative Council, this means the talks will be completely suspended and the British side must bear all the consequences arising therefrom.

The article went on: Naturally, this is not what all of us expect, but, if it should occur, it would be no big deal. Let the Britons go ahead with the 1994/95 elections. The term of office of those elected will terminate on 30 June 1997. On 1 July 1997, China will set up new district boards, new urban councils, and a new legislative council. Despite any trouble or resistance, the Chinese Government is confident of maintaining Hong Kong's stability and prosperity and of materializing the concept of "one country, two systems."

Former Official Advises Parliament on PRC Ties

HK2811070693 Hong Kong *SOUTH CHINA SUNDAY MORNING POST* in English 28 Nov 93 pp 1, 2

[By Danny Gittings and David Healy in London]

[Text] Former British foreign affairs adviser Sir Percy Cradock has launched a fresh attack on Governor Chris Patten's handling of relations with Beijing, in a written submission to the House of Commons' Foreign Affairs select committee. His memorandum is expected to lead to a "rough session" when Sir Percy gives evidence before the influential committee on December 8.

Without mentioning Mr. Patten by name, he is set to warn that moves towards further democracy may sometimes be harmful, and must not be considered in isolation from other issues. He reportedly describes democracy as "not an absolute good", especially if it leads to

instability in the territory, and says moves to speed up its pace now may lead to less democracy in the long run.

Sir Percy's memorandum, although couched in cautious language, apparently also stresses the damage already done to Hong Kong by last winter's Sino-British confrontation. He warns there is no alternative to co-operation with Beijing over the future of the territory, and says both sides must make concessions in the talks over political reform.

The former Foreign Affairs Adviser is understood to also say the issue of democracy must be handled with particular sensitivity when dealing with China, and that the present row could have been predicted and prevented.

The committee—which is conducting a wide-ranging investigation into relations between Britain and China up to and beyond 1997—is expected to announce within a few days that it will next week take evidence from Sir Percy.

Although Sir Percy's memorandum has not yet been made public, it has been circulated among committee members.

One yesterday predicted the former Foreign Affairs Adviser would be treated as a hostile witness: "Our evidence in Hong Kong, and from legal and other experts during the last few weeks has shown the British line in the talks between London and Beijing is correct.

"We know Sir Percy is totally against Governor Patten and so I, and some of my colleagues, will consider him a hostile witness. It could be a rough session."

Sir Percy last night confirmed he had submitted a memorandum, but declined to elaborate on its contents. He expressed bemusement at the idea he should expect a rough ride. "I'm really quite surprised at this. I have been asked to appear. I thought it was right to comply. I assume they want a quiet intelligent discussion of the situation," he said.

The former Foreign Affairs adviser has just returned from a business trip to Beijing to attend a board meeting of Kleinwort Benson's China Investment Fund, held in the Chinese capital because of its mainland directors.

Police To Expand Tie With Taiwan Against Triads

HK2711061593 Hong Kong *SOUTH CHINA MORNING POST* in English 27 Nov 93 pp 1, 2

[By Scott McKenzie]

[Text] Hong Kong anti-triad police returned from Taiwan last night after negotiating a ground-breaking agreement to expand links between the two police forces. The move has been hailed as a breakthrough between Taiwan and Hong Kong, whose governments have no official diplomatic ties, no extradition agreement and no Interpol links.

The two-day visit by three Hong Kong police officers was led by Superintendent Philip Choy Kin-cheung who was appointed earlier this week to lead investigations into triad involvement in the film and entertainment industry. The group met the Taipei Police Commissioner and Deputy Commissioner as well as officers of the International Criminal Affairs Division, in one of the highest level meetings between the two forces. The two sides agreed to exchange intelligence on serious triad-related crime and "cooperate as much as possible".

Taiwan authorities hope the move will stop Hong Kong criminals taking advantage of the limited ties between the two governments by fleeing to Taiwan to escape Hong Kong justice. However, the talks also prompted a warning from legislator James To Kun-sun not to offend China by "going too far".

Taiwan Police Section Chief Ho Chau-fun told the South China Morning Post the talks had been "highly successful" and were likely to be a forerunner to more. He said the Taiwan Police Commissioner had promised to supply whatever information could be of use to Hong Kong anti-triad officers.

Mr Ho said many Hong Kong actors and entertainers were also popular in Taiwan and similar triad controls existed there. "There are links between triads in Hong Kong and in Taipei so with this new cooperation both sides will benefit," Mr Ho said. Mr Ho said the transfer of suspects in crimes could also be considered by the two police forces on the basis of their two-day talks.

A Hong Kong Interpol spokesman said no "official links" existed that would allow for the transfer of suspects between Taiwan and Hong Kong and that such transfers would be negotiated by the sections of each police force. "Hong Kong and Taiwan are very close so it makes sense that we try to help each other," the spokesman said.

On their return Superintendent Choy and his colleagues refused to comment on the details of their mission to Taiwan. Superintendent Choy is also responsible for investigating triad links in the murder of Wan Chai triad leader and film industry figure Andely Chan Yiu-hing in Macao on Sunday. However, Taipei police said this specific case was not discussed.

Last night, Fight Crime Committee member and Legislative Councillor James To Kun-sun welcomed the news of improved links between the two forces but warned that Hong Kong police should be careful not to offend the Chinese Government, which does not recognise Taiwan as a nation state. Mr To said there was a danger that the push toward cooperation between the two forces could be "too fast." "Taiwan wants to clean up violent crime and that often means triads, so I can see their reasons for cooperating but Hong Kong shouldn't find itself in a position where it offends China," Mr To said.

At the same time he said his comments should not stop other branches of the Hong Kong police from exchanging intelligence with Taiwan authorities in their fight against crime.

Taiwan has long been regarded as a safe haven for Hong Kong criminals, including the notorious Ma brothers, who fled the territory in the 1970's.

The talks between the two police forces follow an announcement by Taiwan authorities in April that they would send wanted criminals back to Hong Kong.

Mr To also released details of a possible conflict over whether the Security Branch or the police should control a proposed centralised witness protection scheme. The need for a witness protection scheme was the subject of an inquiry by Appeal Court Judge Justice Kempster earlier this year but so far his call for a standardised system, as opposed to the present ad hoc system, has not been implemented.

Security Branch members are expected to tell the Fight Crime Committee in a meeting scheduled for today that they support all recommendations—except one. The Security Branch is understood to want its own administration to be the central authority for a witness protection scheme, whereas Mr To believes his fellow members generally support the police controlling such an authority. "The Security Branch is a policymaking body, the police have more involvement in operational matters and I believe they would be better at it," Mr To said. "A very senior and experienced police officer should be appointed to head the authority," he said.

Recommendations to be made to the Executive Council include the need to relocate certain witnesses overseas and threat assessments for witnesses admitted to the programme. Such a scheme was not likely to be fully implemented in less than two years, Mr To said.

Witness protection is likely to be a major tool for Superintendent Choy's team looking at organised crime in the film and entertainment industry.

Sources Say Mainland 'Big Circle' Behind Murder

HK2811073693 Hong Kong SOUTH CHINA SUNDAY MORNING POST in English 28 Nov 93 p 1

[By Peter Woolrich and Elven Ho]

[Text] A mainland brotherhood known as the Big Circle was behind the shooting in Macao of Wan Chai triad boss Andely Chan Yiu-hing, it was claimed yesterday. The new theory has emerged from legal and film industry sources who say Chan was assassinated on Big Circle orders, and that influential filmmaker Jimmy Heung Wah-shing could be next on the hit list.

The SUNDAY MORNING POST can also reveal Wan Chai detectives have identified four or five Sun Yee On office bearers who are vying to take over Chan's position as the Tiger of Wan Chai.

Sources close to the mainlanders said the Big Circle ordered Chan's elimination because of his involvement in the killing of film producer Wong Long-wai in May last year.

The Big Circle is known to be heavily involved in the smuggling of illegals from China to the West, but only now is their influence on organized crime in Hong Kong becoming clear.

Heung, 44, was targeted last year when a shot was fired at the door of his Win's Film Company office in Tsim Sha Tsui. The warning shot is believed to have been fired because of his moves to organize major cinema operators into boycotting films produced with Big Circle backing.

In an exclusive interview with the SUNDAY MORNING POST, Heung remains defiant about the potential threat to his life. Despite the bravado, Heung remains surrounded by six bodyguards.

"There is no such word as 'scared' in my dictionary. I've seen and heard it all in my 17 years in the film business," he said. "The police are doing an excellent job, and I have full confidence in them."

Industry sources say the violence that has hit the film world in the past three years has corresponded with its infiltration by the mainland gang. "There are four sectors in the Big Circle and they don't get along with each other, hence all the internal conflicts that have resulted in the killing of two gang leaders, the imprisonment of another, and the retirement of the remaining one after a failed attempt for a foothold in the film business," said one producer, who asked not to be named.

The source was referring to film world personalities Jimmy Choi and Wong, both killed last year, and Chan Chi-ming, who was detained in Shenzhen last year.

Heung acknowledges the "wild card" nature of the "nothing to lose" mainland gangsters. He says: "I don't even want to mess with these new immigrants. They are capable of mindless violence even if the reward is little. Little is a lot to them back in China."

"What I worry about is the significance behind the recent violence. If someone can hire an assassin from China for peanuts to settle a score in the film industry, just picture what society is liable to face in the future."

A police spokesman said last night "the case is still being investigated and we cannot rule out the possibility the Big Circle is involved".

Meanwhile, Chan's last targets for extortion were six restaurants due to open next year at Times Square in Causeway Bay. He ordered more than 20 of his men to use veiled threats to extract \$200,000 a month from the businessmen. But detectives had already warned the restaurateurs—now a matter of policy in new developments—to inform them of any approaches.

PRC To Ban People With 'Criminal Intentions'

HK0112091393 Hong Kong MING PAO in Chinese
1 Dec 93 p 3

["Special dispatch" by staff reporter Tu Fu-liang (2629 4395 5328): "Public Security Ministry Has List of Those Who Will Be Refused Entry Because They Either Have Criminal Intentions or Are Detrimental to Unity"]

[Text] An official of the Chinese Ministry of Public Security said yesterday that Hong Kong people coming to the mainland to conduct criminal activities will not be tolerated. Our staff reporter learned that the ministry has obtained information about a couple of [ge bie 0020 0446] Hong Kong people who have criminal intentions. The Chinese side will not let them into the country, even if they hold home-visit permits.

It has been learned that in terms of the information the Chinese side has about certain Hong Kong people who intend to commit crime on the mainland—the intended crimes referred to here include such criminal offenses as smuggling and drug trafficking, as well as practices that undermine stability and unity—the authorities' ban on their entry will continue to be effective after 1997. The regulation against Hong Kong people committing crime on the mainland is contained in the "Provisional Regulations on the Control of Chinese Citizens Travelling Between the Mainland and the Hong Kong or Macao Areas." In fact, at the beginning of 1991, Public Security Minister Tao Siju already had admitted openly that the authorities had a blacklist of Hong Kong people.

In another development, when meeting with the Wan-chai District Board delegation visiting Beijing yesterday, Sun Mingshan, director of the Foreign Affairs Office of the Ministry of Public Security, said: The authorities resolutely crack down on Hong Kong triad organizations attempting to recruit members and carry out illegal activities on the mainland. He reiterated that China's attitude to triad organizations remains unchanged.

As for the Chinese authorities' cooperation with Hong Kong police in cracking down on cross-border crime, Sun Mingshan said that the Chinese public security authorities have had good cooperation with the Hong Kong side, particularly in fighting firearms smuggling and trafficking, and crimes involving guns.

He continued by saying that China and Hong Kong have introduced a mechanism for regular meetings to exchange information on criminals, which has yielded positive results. He had noticed a visible decline in Hong Kong recently in the incidence of crime involving guns, and said the cooperation between China and Hong Kong is also beneficial to public security on the mainland.

As for the Hong Kong police seeking China's cooperation in dealing with the recent incidents of violence involving show business, Sun Mingshan said that the Chinese side will give active assistance once the Hong Kong side makes such a request.

After the meeting, delegation head Mrs. Peggy Lam said that in the past two years, a total of 71 suspects who had absconded to the mainland after suspected criminal involvement in Hong Kong had been sent back to Hong Kong.

On another front, in answer to a reporter's question about the ministry's handling of former Beijing workers' movement leader Han Dongfang's entry, Sun Mingshan explained that the authorities had canceled Han Dongfang's passport in accordance with Chinese law. As for foreign countries' criticism that China's refusing its own citizen entry into the country violated provisions of international law to the effect that all countries should try not to create stateless persons, Sun Mingshan thought that such a statement was incomplete. He said: "In the international community, such problems do not happen to China only."

As for developments regarding the detention of the MING PAO reporter which has lasted for more than 60 days, Sun Mingshan said that the specific matter is being handled by the Ministry of State Security, and is not the business of the Ministry of Public Security.

PRC Official Assures Chinese on Right of Abode

HK2711064993 Hong Kong SOUTH CHINA
MORNING POST in English 27 Nov 93 p 6

[By Doreen Cheung]

[Text] The Chinese team leader of the Joint Liaison Group (JLG), Guo Fengmin, yesterday suggested that Hong Kong Chinese holding a foreign passport could enjoy right of abode in the territory after 1997. Mr Guo's remark came after Secretary for Security Alistair Asprey's earlier comments that Hong Kong residents holding foreign passports might risk losing their right of abode after 1997 if China chose to preclude dual nationality.

"We think that all Hong Kong Chinese are Chinese citizens regardless of what type of travel document they hold. There is no problem on their right of abode after 1997," Mr Guo said. Mr Guo said the nationality issue had already been spelled out in a memorandum to the Joint Declaration. But he admitted the issue was complicated as Chinese nationality law did not recognise dual nationality and its implementation in Hong Kong after 1997 was still being studied.

The British team in the JLG has been seeking clarification from the Chinese side on how the Chinese nationality law will apply to Hong Kong, although a concrete reply has not been given.

The Chinese memorandum on the nationality issue attached to the Joint Declaration only states that under mainland law, all Hong Kong Chinese, whether they are holders of the British Dependent Territories Citizen passport or not, are considered Chinese nationals. The memorandum falls short of specifying the status of those who hold a foreign passport.

Mr Guo also hit back at Britain's criticism that China had dragged its feet within the JLG. Spelling out the achievements of the JLG at a lunch attended by a group of Chiu Chow businessmen, he said: "We have done a lot. It is not the Chinese responsibility for failing to proceed faster (in the JLG)."

Mr Guo's remarks came just 10 days before the next plenary meeting is due to take place in London. He defended the Chinese position on the slow progress concerning military sites and localising laws. He rejected the idea that there would be a legal vacuum after 1997 if China did not speed up its examination of proposals on the localisation of colonial laws. "It is irresponsible to say that there will be a legal vacuum by 1997. How can there be a legal vacuum, as we have already had the Basic Law in place?" he asked.

While the Basic Law spelled out rules on many issues, technical details could be worked out on a step-by-step basis, he said.

On the issue of military sites, unresolved after years of negotiations, Mr Guo said the Chinese position was reasonable.

Meanwhile, the Secretary for Economic Services Gordon Siu Kwing-chee, said yesterday the Government hoped the land grant for Container Terminal No. 9 would be discussed at the next JLG meeting.

Mr Siu said the Government had already addressed a host of questions raised by the Chinese side over the grant.

On the airport projects Mr Siu said the Government would try to complete the 10 airport programme core projects as far as possible even if they had failed to secure Chinese blessing. He said he hoped an agreement could be reached by the end of the year as the Provisional Airport Authority planned to award the three remaining contracts within the next five weeks.

PRC Office Declines Petition on Dissidents

HK0112053893 Hong Kong SOUTH CHINA
MORNING POST in English 1 Dec 93 p 12

[By Daniel Kwan]

[Text] Officials from Xinhua (the New China News Agency) in Hong Kong yesterday refused to accept a petition by local activists demanding the immediate release of dissidents behind the peace charter in Beijing.

Led by local legislator Cheung Man-kwong, the petitioners carried placards with sketches of the four dissidents held by Beijing police and shouted slogans such as "safeguard freedom of speech" and "peace charter is not a crime" during their brief demonstration in Happy Valley.

The petitioners also carried a large blue banner which read: "Immediately Release All Peace Charter Detainees."

Three mainland activists—Yang Zhou, Qin Yongmin and Zheng Xuguang—were arrested by Beijing police for their involvement with the peace charter, which calls for respect of human rights in China.

The fourth dissident, Fu Shenqi, was arrested earlier on counter-revolutionary charges and is being held in a labour prison in Shanghai.

Officials of Xinhua refused to accept an open letter addressed to Mr Qiao Shi, chairman of the National People's Congress.

"We are very concerned about the fate of these people We very much hope they could be released because all they have done is express their opinions peacefully," Mr Cheung said.

Soon after the petitioners assembled in front of the Xinhua office, an unidentified man began to film the petitioners. He later entered the Xinhua office and did not leave.

During the demonstration, a middle-aged man, identifying himself as a shoemaker, knelt down in front of the Xinhua main gate and demanded that China allow labour activist Han Dongfang to return home.

The man, Yuan Donghong, said he had lived in Hong Kong for 13 years and believed it was "unreasonable" that Mr Han was denied the right to return to his country.

Officials Discuss Mainland's Impact on Exports

HK2711072093 Hong Kong SOUTH CHINA
MORNING POST (BUSINESS POST) in English
27 Nov 93 p 1

[By Louise Lucas]

[Text] Growth in total exports, which has been running at 13.9 percent this year, was reined in severely last month to 7.3 percent as demand in Hong Kong's key markets—China, America, and Europe slumped. The territory recorded a total of \$96.36 billion in exports in October.

China's economic curbs were given part of the blame by the Government yesterday for sharply decelerating growth in re-exports and a further fall in domestic exports.

Releasing the figures, a spokesman said: "China's restraint measures might have begun to filter through to affect Hong Kong's external trade. The weaker demand in overseas markets, particularly in North America and continental Europe, have also dampened export performance in recent months."

Re-exports, which make up more than three-quarters of Hong Kong's exports, rose 12.9 percent or \$8.77 billion to \$76.7 billion.

Domestic exports, which have been waning in importance as Hong Kong moves its manufacturing over the border, tumbled 10 percent or \$2.19 billion to \$19.66 billion in October.

Jardine Fleming Broking economist Daryl Ho Hon-kit attributed the deceleration to a mix of technical and longer-reaching factors including pruned demand from the mainland. The high base stacked up from hefty re-export trade in October 1992 distorted the growth pattern, he said. "The 7.3 percent growth in total exports is quite surprising. Excluding June, when exports growth came in at just 6.6 percent, this is the lowest growth rate since January 1992."

Mr Ho also referred to weather conditions—the October storms that wreaked havoc on the vegetable fields and sent prices rocketing also undermined shipments—and a cutback in demand from the mainland. He said: "As a whole, the remaining months should continue to show weak growth, primarily because if you look at the numbers on the commodity breakdowns for August and September, you see re-exports of some items to China moderating quite significantly. For road vehicles 80 percent of re-exports go to China and I see significant moderation in these re-exports. In September, those reexports grew 57 percent year on year, while the year-to-date growth is 135 percent [percentage as published]. "It is a significant moderation, and I'm sure it is caused by import controls in China."

Government figures released yesterday are the first snap at October's trade and full breakdowns by country and commodity will not follow until next month.

There was only modest growth on the other side of the coin too, with imports blipping up 3.9 percent to \$93.57 billion. This gave a trade surplus for the month of \$2.8 billion. The balance for the year so far stands at a deficit of \$23.68 billion.

Taking the first 10 months of the year together, total exports have risen 13.9 percent to \$860.4 billion and imports have trailed marginally behind, up 13.3 percent to \$884.08 billion. Re-exports have climbed 20.2 percent to \$677.1 billion.

The share of re-exports in the value of total exports rose further to 79 percent in the first 10 months.

The growth rate of the value of retained imports slowed sharply, from 16 percent last year to 4.2 percent in the first 10 months of this year.

Peruvian Police Arrest Illegal Immigrants

HK2211034093 Hong Kong SOUTH CHINA SUNDAY
MORNING POST in English 21 Nov 93 p 4

[By Chris Dobson: "Hong Kong Help Leads to Peru Arrest"]

[Text] Vital information from the Hong Kong police led to the arrest of four illegal Chinese immigrants in Peru who had kidnapped a Chinese man and demanded \$2.3

million from his aunt who lived in the territory. Peruvian police traced the mainlanders' hideout and freed Liu Chang-lee, 22, after receiving details of the gang through Hong Kong Interpol.

"With the assistance of important information provided by Hong Kong police, Peruvian police were able to arrest four suspects and rescue the victim (on Friday)," a spokesman in Hong Kong said.

"The arrested men, aged between 25 and 35, are still being detained by the Peruvian police for further inquiries."

Peruvian police Colonel Raul Cubillas said Mr Liu was kidnapped on November 14 in Lima's Los Olivos district. Colonel Cubillas said the men, who Mr Liu knew and who were believed to have triad links with Hong Kong, held him captive for five days. The kidnappers contacted Mr Liu's only relative in Hong Kong, his aunt Ip Lai-wah, to negotiate his release.

Police said the gang told Ms Ip, who reported the kidnapping to the Hong Kong police, to place the ransom in a foreign bank account.

Three men have been charged and a fourth suspect, caught in San Juan de Marcona in southern Peru while apparently trying to flee the country, has been detained.

Mr Liu is believed to have been working in a Chinese restaurant in Lima, although it is not known how long he had been living in Peru.

Territory Reports Increased East European Trade

OW2511130293 Beijing XINHUA in English 1128
GMT 25 Nov 93

[Text] Hong Kong, November 25 (XINHUA)—Hong Kong's trade with East Europe and Russia totalled 5.5 billion H.K. dollars (705 million U.S. dollars) in the first nine months of this year, an increase of 51 percent over the same period of last year.

Hong Kong's exports to Poland alone amounted to 1 billion H.K. Dollars (128 million U.S. dollars) from January to September this year, a 44 percent up from the same period in 1992, the Hong Kong Trade Development Council (TDC) said in a news release here today.

To accelerate Hong Kong's the growing trade with East Europe, the TDC has opened consultant offices in Warsaw, Poland, and Budapest, Hungary, to provide on-the-spot assistance as Hong Kong traders strive to take advantage of the growing market opportunities in East European countries.

"An increasing number of Polish businessmen are travelling to Hong Kong and the Chinese mainland in search of business opportunities," the release said.

Paper Interviews Former Taiwan Opposition Leader

HK2911055093 Hong Kong SOUTH CHINA
MORNING POST in English 29 Nov 93 pp 1, 8

[By Dennis Engbarth, in Taipei]

[Text] The leader of Taiwan's Democratic Progressive Party (DPP)—the island's largest opposition party resigned yesterday to take responsibility for the party's setback at the weekend polls.

And in an interview with the SOUTH CHINA MORNING POST, Hsu Hsin-liang said that, following the opposition's poor showing in county and city mayoral elections, President Lee Tenghui would now step up plans to push through a constitutional amendment for direct presidential elections. Mr Hsu predicted Mr Lee would run for the post himself.

The ruling Kuomintang (KMT), spurred by an unprecedented personal campaign tour by Mr Lee—also the KMT chairman—took 15 of 21 posts. The DPP went into the election with seven local executive seats, but emerged with six. While the DPP gained Tainan County, incumbent DPP mayors lost their posts in Changhua and Pingtung counties.

Mr Hsu had declared at the beginning of the campaign that he would step down if the DPP gained less than half of the seats at stake. DPP legislator Shih Ming-teh, who spent 25 years as a political prisoner under the KMT regime, was named acting chairman pending the next party congress in May 1994. But Mr Hsu cited the overall vote share as evidence that the setback "was not a defeat for the party as a whole".

The DPP boosted its vote share to over 41 percent of the 7.6 million votes cast on Saturday, compared with 38 percent in similar elections in 1989. The KMT's percentage of the vote dropped to 47 percent from 54 percent in 1989, the first time the ruling party's vote share has dipped below 50 percent.

Mr Hsu said personal errors, particularly in not maintaining a strong publicity campaign in the press in the last days of the campaign, contributed to the loss. He also attributed the setback to "unprecedented levels of vote-buying" by KMT candidates and to the impact of the "Lee Teng-hui card".

Mr Hsu acknowledged that the personal intervention of Mr Lee, the first Taiwan-born president, had a major impact on the results. "I estimate Lee's intervention swung as much as 5 percent of the vote, including some of our supporters," he said. Mr Hsu noted that 15 of the races were decided by less than this margin. "That's partly why we lost in Pingtung."

"The Taiwan people weren't willing to let Lee lose," he said. Mr Hsu said Mr Lee's intervention prevented the KMT from losing in the ballot. "The KMT is now stabilized. Since the KMT did not lose, Lee Teng-hui will accelerate the timetable for direct presidential elections," Mr Hsu said.

Mr Lee told the CHINA TIMES on November 16 that a special working group was already studying the issue and that "the results will be released after the elections." But Mr Lee added: "The time has not yet come to make a decision."

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